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N. H. Brings Out Individual Operator Auto BI-PDL Policy

Discount Up To 40.5% For One Driver Family; Seen As Sounder Than Car Cover

New Hampshire group is offering, in certain states, liability insurance covering the individual operator of an automobile, even though owned by him, as compared to the prevailing practice of insuring the automobile regardless of who is driving. This is being offered as an additional or alternate plan of insuring, and the companies will continue to write the present standard type of automobile insurance.

Although the new type of insurance is being offered at a substantially lower premium than the present form of auto insurance for one or two driver families, its primary purpose is not to cut rates but to present a more realistic approach to improving the problems of the automobile insurance business. It is management's belief that the current wave of merit and experience rating, which applies credits to an automobile without limitation as to its driver, is based upon unsound fundamentals. However, New Hampshire expects the new coverage to prove valuable to agents in meeting direct writer and other competition on preferred risks, most of which, it believes, are to be found among the one and two driver families.

Details Of Coverage

The policy protects insured, who may be one or more named persons, against liability for injury or damage arising while they are driving a car or while another licensed driver is driving their owned car, if insured is a passenger in that car at the time. The policy also covers legal liability of insured for injury or damage resulting from his having left or parked a car unattended. The policy does not protect either insured or the driver against liability if insured's car is being operated by another driver, whether the other person is driving with or without the owner's permission, unless insured is a passenger.

Because of this limitation in coverage, the new type policy does not meet the legal requirements for filing of financial responsibility for future accidents in some states and the companies' underwriting rules, at least for the present, will prevent the issue of FR certificates to cover future accidents under this policy in all states. If required to make such filing for his future driving privileges, insured must arrange for insurance under the standard automobile policy, either with New Hampshire or another company. The individual operator's policy provides the required security to cover

(CONTINUED ON PAGE 24)

Uniform Rates And Cover For Assigned Auto Risks In Md.

Under a law passed by the last Maryland legislature, Commissioner F. Douglass Sears has promulgated a new rating plan in that state providing uniform rates and coverage for automobile assigned risk. This is the first time Maryland will treat such risks as a separate class at rates based on their own bottom rather than reflecting the variations in basic rates charged by individual insurers. The plan is effective next March 1.

The rates are 25% above the last approved manual rates of National Bureau and Mutual Bureau and reflect the bureau territories and classifications. Coverage is the fifth edition of the automobile liability policy issued in 1955. The only non-uniformity in the plan is with respect to retrospective rating of fleets.

In issuing his order after hearing, Mr. Sears said that assigned auto risks are different from voluntary ones, and the legislature has considerered it necessary to place them in a separate

(CONTINUED ON PAGE 25)

Issue Warning To O. Taxis Insured By Mich. Surety

Operators of 172 taxicabs in Cincinnati insured by Michigan Surety have been told to obtain coverage considered adequate in Ohio or face having their licenses suspended. This action was threatened by the city treasurer and came as a consquence to Superintendent Stowell's order revoking the company's license in Ohio.

Michigan Surety was ruled out of Ohio because of a threatened re-

(CONTINUED ON PAGE 8)

Ark. Agents Voice Pandemonium Fear Of New, New HO

LITTLE ROCK—Arkansas Assn. of Insurance Agents, approving a statement of its influential, eight-member conference committee, voiced alarm and strong concern over the imminent filing of the new, new homeowners policy in Arkansas.

"We are in for utter pandemonium if the filing follows the same pattern as has been followed in other jurisdictions," the statement said as the Arkansas association convened its annual midyear meeting here. "In other territories, the filing has been with a limited acquisition cost, at reduced rates, and with restricted coverages. Rates have been reduced so radically that in many territories it is profitable for an insured to cancel short rate and rewrite and still effect a saving—that is, if the insured is not particular about restrictions in coverage."

Agents Face Dilemma

"This places the agents in a real dilemma," the association statement continued. "Return premiums will be granted at one rate of commission, and new premiums will be entered at a lower commission and at substantially lower rates. Should the filing permit, as it has done in other territories, agents would be inundated with all their homeowners contracts (that is, those rewritten) coming due at one time, with substantial reduction in income for the effective month of the reduction in commission."

"How this filing can be justified on the part of the companies is a matter of great conjecture, particularly in this territory. Figures for a normal experience period under the original

(CONTINUED ON PAGE 27)

Paul E. Buehler, president of Beacon Mutual Indemnity and American Select Risk, who retires Dec. 31 after 15 years as secretary of Conference of Mutual Casualty Companies, receives engraved silverware set in recognition of his service. Making presentation to Mr. and Mrs. Buehler on behalf of members is William C. Searl, president of Auto-Owners. During Mr. Buehler's tenure, conference membership rose from 17 to 91 companies.

NAIC Holds A Peaceful Midyear Parley In Fla.

Status Reports Are Order Of Day; Plenty Of Study Is Promised By Subcommittees

By JOHN C. BURRIDGE

MIAMI BEACH—Peace and quiet settled over National Assn. of Insurance Commissioners at the 1959 "regular" meeting here this week. In the wake of the hearings of the Senate anti-trust and monopoly subcommittee, no one seemed to want to stir up new excitement, especially in a winter vacationland. In those areas where rocks have been thrown, the approach to issues, where they were allowed to be seen, was to treat them with extreme gentleness.

NAIC's subcommittees handle the problems and mold them into form for the parent committees to consider. Monday, the day of subcommittee meetings, thus is supposed to be the day of hot tempers; but this time nothing happened. Nearly all the subcommitees were able to summarize their meetings within half a sheet of paper. Status reports were the order of the day, with a good deal of noting that matters under consideration were to be given study.

One unscheduled meeting, for the commissioners to get a rundown on

(CONTINUED ON PAGE 28)

Hammel Suggests NAIC Do Interior Redecorating Job

MIAMI BEACH—NAIC did historic work in presenting the case for state regulation to the O'Mahoney subcommittee of the Senate, President Paul Hammel of Nevada told the general session in his address Tuesday at the commissioners' midyear meeting here. But he cautioned that the organization needs to do all it can to "render it impregnable against assault" of those seeking federal control.

Mr. Hammel said NAIC is more than an organization of public officials with common problems and responsibilities. "It is the communication center, the coordinator, the catalyst without which individual states could not control an inter-state industry. No state could accomplish, by itself, what all of us have accomplished through NAIC. In this sense, the NAIC is the real alternative to the federal control none of us wants."

Mentions Achievements

Mentioning some of the NAIC achievements in the years he has held office, Mr. Hammel asked rhetorically, "Where are we vulnerable?"

(CONTINUED ON PAGE 31)

Gee Succeeds Ennis As Ad, PR Head Of America Fore

Harold F. Gee, vice-president of America Fore Loyalty, has been

Harold F. Gee

Frank S. Ennis

named head of the group's advertising and public relations departments. He succeeds Frank S. Ennis, vice-president, who is relinquishing active responsibilities Dec. 31 on the advice of his physician. Mr. Ennis is eligible to retire during 1960 under the group's retirement plan.

Robert A. Nay, who has been in the advertising department for 30 years, has been advanced to superintendent and assistant to Mr. Gee.

Mr. Gee began his insurance career in 1923 with Aetna Casualty as a bond field man. He joined Loyalty companies in 1929 as manager of the bonding department at Cleveland, and in 1936 was transferred to Chicago in the same capacity. He was named casualty manager at Indianapolis in 1937, and manager of all Loyalty companies at St. Louis in 1941.

In 1946 he was appointed assistant secretary of Loyalty companies, in charge of the casualty and surety division at the western department. He was made a 2nd vice-president in 1950 and assigned to executive staff duties at the home office. He became vice-president in 1958. Early this year he was also appointed a vice-president of America Fore and assumed duties in advertising and publicity. He is the author of "Agent's Automobile Guide," "Agents' Bonding Guide," "Agents' Casualty Guide," "Fieldman's Guide" and "Broad Form Crime Insurance Primer."

Other Careers

Mr. Ennis joined America Fore in 1925 as assistant advertising manager, and advanced to manager in 1929. He was appointed secretary in 1953 and vice-president in 1957. In 1958 he was also appointed a vice-president of Loyalty companies.

Mr. Ennis was a pioneer in the use of photographic illustration in advertising. He won the Rough Notes trophy for the best insurance advertising in 1928, 1929, 1930 and 1931. A former director of Assn. of National Advertisers, Mr. Ennis is a past chairman of the advertising committees of American Foreign Insurance Assn. and Marine Office of America. He has also served on numerous other advertising committees in the business.

After newspaper experience, Mr. Nay joined the advertising department of Aetna Casualty in 1924. Later he was in the advertising department of Metropolitan Casualty. He then joined Fidelity & Casualty's advertising department, and when F.&C. became affiliated with America Fore group in 1930, he became associated with Mr. Ennis and was assistant advertising manager for a number of years.

Kip Test Head Of American Institute

American Institute has appointed Dr. Richard de R. Kip director of examinations, effective Feb. 1, 1960. In the newly created post, he will supervise both CPCU and Insurance Institute of America examinations.

Dr. Richard Kip

Dr. Kip received his B.S. in economics from the Wharton School and his M.A. and Ph.D. from the graduate school of University of Pennsylvania. He taught insurance in the Wharton School from 1936 to 1941. After military service, he rejoined the faculty and remained there until 1958 when he became professor of insurance and head of the department of insurance and real estate at Florida State University. While there, he also served on the staff of Commissioner Larson as director of the policemen's retirement fund and the firemen's relief and pension fund, directing a study of both.

Dr. Kip is a CPCU and a CLU and holds the certificate in life management from American College of Life Underwriters.

Donald B. Sherwood, retired assistant general manager of National Board, was honored at a luncheon given by officers and senior staff of the board at Union League Club, New York. Harry W. Miller, U. S. attorney of Commercial Union and president of National Board, presided.

Brower To Continue As Occidental Head

Horace W. Brower, newly elected president of Transamerica Corp., San Francisco, will continue as president of Occidental Life of California. He was named Transamerica president to fill the vacancy created by the death of Frank N. Belgrano Jr. and will divide his time between Los Angeles and San Francisco.

Occidental Life is the largest subsidiary of Transamerica, which also owns Pacific National group, General Metals Corp., Capital Co., a real estate subsidiary, Phoenix Title and Trust Co., and two newly formed insurance companies—Transamerica and Transamerica Life.

Combs Issues Order On Sales Practices

LITTLE ROCK—In a move for more effective supervision over insurance sales practices, Commissioner Combs has issued an order requiring companies against which complaints are received alleging misrepresentation in the sale of insurance coverages to produce and file with the department copies of sales kits, presentations and other sales materials. Effective date of the order is Dec. 1, 1959.

Authority for the commissioner's order comes from Arkansas' fair trade practices act, adopted 10 years ago, which prohibits unfair methods of competition or unfair or deceptive acts or practices. The act, with a number of strengthening provisions added, appears in Arkansas' new insurance code as chapter 11, entitled "Trade Practices and Frauds." The new code becomes effective on Jan. 1, 1960.

Leeman Elected New England Mutu[al] Agents President

Mutual Insurance Agents Assn. [of] New England broke attendance reco[rds] at its annual meeting in Boston w[ith] over 300 registered. The group pack[ed] every session and elected C. F. Le[e]man, Portland, Me., president, succeed[ing] D. A. Cochrane, Fitchburg. A. Lane, Brockton, Mass., who arrang[ed] the well received program, moved up [to] first vice-president and heir appare[nt] and W. L. Malcolm, Milford, Con[n.] started up the official ladder as seco[nd] vice-president. Marshall Cobleig[h], Nashua, wheelhorse of the associati[on] was reelected secretary as a matter [of] course.

List New Directors

New directors are P. S. Bur[...] Keene, N. H.; F. A. Flint, Barre, V[t.] W. R. Warburton, Providence; R. [...] Hill, Naugatuck, Conn., and R. [...] Knott, New Haven. E. A. Hopki[ns] West Warwick, R. I., C. E. Adam[s] Vassalboro, Me., and E. H. Smit[h] Worcester, were reelected director[s].

A resolution asked the insuranc[e] department of each New England sta[te] to give publicity to revocations [of] agent licenses, just as information o[n] new licensees is now released.

Mr. Leeman, the new presiden[t] operates the Mutual Insurance Agenc[y] in Portland. He started his insuranc[e] career with the old Contractors Mutua[l] later Federal Mutual of the Kempe[r] group, in New England, going into th[e] agency business in 1930. He moved u[p] from first vice-president of the Ne[w] England association and has also bee[n] president of Maine Assn. of Mutua[l] Insurance Agents.

Usually Alternates

The New England association cu[s]tomarily alternates its meetings be[]tween Boston and a resort. The tim[e] and place of the 1960 meeting have no[t] been settled, but it will probably b[e] held earlier in the fall if, as expecte[d] it is held at a resort. The New Englan[d] association is unique among agenc[y] organizations in that, for some of it[s] members, it is the primary organiza[]tion, while for others it is on a lev[el] between a state association and Na[]tional Assn. of Mutual Insuranc[e] Agents. There are state association[s] of mutual agents in Maine, Ne[w] Hampshire and Connecticut; none i[n]

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Allstate Organizes Swiss Holding Co.

Allstate has organized a holding com[]pany to own and manage its Swi[ss] subsidiary, Altstadt Versicherung[s] A.G., and any other foreign subsidiar[y] which might be formed.

The holding company, Allstate In[]surance International S.A. of Zurich has a capital of 10 million Swiss franc[s] ($4.3 million) and of this, 6.3 millio[n] francs ($2.7 million) was paid in b[y] transfer to Allstate International o[f] stock in Altstadt Versicherungs. Th[e] balance was paid in cash.

President Judson B. Branch an[d] Senior Vice-president Henry S. Mose[] of Allstate are chairman and vice chairman, respectively, of the holdin[g] company. Directors are H. U. Rinder[]knecht, managing director of Altstadt and Eric Gasser and A. Zublin, Swis[s] executives.


ZURICH-
AMERICAN
AGENCY
SYSTEM

Chaloner Is Given Dinner At Chicago By American Group

Home office officials and members of the Chicago branch of American honored Vice-president Russell S. Chaloner, chief executive officer at Chicago, with a dinner at the Union League Club there on the eve of his retirement last month. He was succeeded by R. B. Thomas, resident vice-president at Chicago since 1958.

On hand from the home office were President R. Z. Alexander, Harvey R. Bowditch, executive vice-president, and Otto Patterson, a director.

Mr. Chaloner began in insurance with Travelers in 1918 at Hartford. A year later he went to Chicago as assistant manager in charge of burglary and plate glass lines. In 1927 he was appointed western manager of Norwich Union and Phoenix Indemnity. He joined American Automobile in 1933, becoming assistant manager at Chicago the following year.

In 1937 Mr. Chaloner went to Minneapolis to head a new branch there, being reassigned to Chicago as resident vice-president nine years later. He was elected a vice-president of American in 1957.

Mr. Thomas joined the group at Detroit in 1936. He held important field executive positions in a number of branches, including Chicago, where he served as assistant manager from 1951 to 1955, when he was named resident vice-president at Houston. He returned to Chicago in 1958 as resident vice-president in association with Vice-president Chaloner.

At the dinner held by American to honor R. S. Chaloner, vice-president, on his retirement. (With the exception of Messrs. Patterson, Alexander and Bowditch, all are from the Chicago branch.) From left: J. H. Baer, office manager; Howard R. Waters, claims manager; R. B. Thomas, resident vice-president and chief executive officer; John E. Link, fire manager; A. J. Andrews, marine manager; Hamilton W. McComb, bond manager; Mr. Chaloner; E. F. Petro and Edward M. Howie, assistant branch managers; Otto Patterson, a director, who was on hand from the home office for the occasion; George A. Kraeger, casualty manager; R. Z. Alexander and Harvey R. Bowditch, president and executive vice-president, respectively, of American.

Allstate has received approval of a filing in New York for a 10% reduction on small cars, effective Nov. 30.

Says New O. WC Law Will Add $19 Million

COLUMBUS, O.—Cost of the newly effective change in workmen's compensation legislation was discussed at a meeting of Ohio Chamber of Commerce, where Walter E. Taylor, Ohio Bureau of Workmen's Compensation actuary, said that the new law with higher benefits will require almost $19,500,000 in addition to the approximately $100 million needed under the old law. He cautioned employers about being misled by the present apparent lower rate of increase in premiums, because it does not represent a full year of operation. He said that from Nov. 2 until next June 30, increased compensation under the new law would cost about $14,500,000.

Under the new law, for the first time, public officials and the state militia are covered, the militia if on duty under order of the governor. The maximum weekly compensation benefit under the monpolistic system now is $49, compared with the old rate of $40.25. The minimum rate for total disability benefit is now $25 a week, compared with the old rate of $14.

About 2,100 Ohio employers have allowed the mandatory insurance on their employes to lapse, but this is a small percentage of the state's 121,000 employers. They were mostly farmers and small business men, and their action makes them personally responsible for the cost of any injuries sustained by their employes during the lapse, for the first half of 1959.

America Fore Promotes Seven At Dallas

Seven changes have been made at the Dallas southwestern department of America Fore Loyalty group. Ben Lee Boynton, vice-president and manager of Loyalty group, has been given the added title of vice-president and manager of America Fore. This fills the vacancy created by the death of James D. Culpepper.

Tom R. Chatfield, vice-president of Loyalty group, and Aubrey D. Jackson, formerly a secretary of America Fore, have been named vice-presidents of all companies of the group.

Adolph W. Beckmann, secretary of America Fore fire companies, has also been named secretary of Fidelity & Casualty and Loyalty.

Elvis D. Richardson and Wilmer E. Allen, assistant secretaries of America Fore fire companies, have been named assistant secretaries of F.&C. and Loyalty.

C. Hugh Heard, regional claims supervisor of F.&C., southwestern department, has been named assistant secretary of all companies of the group.

Spurgeon E. Welsh, agency superintendent at home office of F.&C., has been transferred to Dallas as assistant secretary of all companies of the group.

Careers Of Those Named

Mr. Boynton joined the Loyalty companies in 1932 as a vice-president after prior association with a Wac agency, U.S.F.&G., Standard Accident and U.S. Casualty. In 1951 he was appointed vice-president and manager of Loyalty's southwestern department.

Mr. Chatfield joined Loyalty in 1931, and was named agency superintendent in 1941. He was elected assistant secretary of Loyalty in 1944, secretary in 1948, second vice-president in 1951 and vice-president in 1958.

Mr. Jackson joined America Fore in 1937 as special agent in Texas. He was named general adjuster for the southern department at Atlanta in 1948, agency superintendent at Atlanta in 1953, and later that year was transferred to Dallas. He was appointed an assistant secretary of America Fore in 1956 and a secretary in 195

Mr. Beckmann joined America Fore in 1928 at the home office. In 1930 he was transferred to Atlanta, and in 1954 he was named agency superintendent at Dallas. He was appointed assistant secretary of America Fore in 1956 and secretary in 1958.

Mr. Richardson joined America Fore as cashier at Dallas in 1939, and was later transferred to the engineering department at Atlanta. In 1946 he was named engineer and special agent in Louisiana. He became Texas senior special agent in 1948. In 1952 he returned to Atlanta as assistant manager

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Reviews Case Based On Copyright Of Policies

Benjamin Busch of the New York law firm of Katz & Sommerich, writes as follows:

THE NATIONAL UNDERWRITER of March 20, 1959, carried a short reference to the case of Continental Casualty vs. Beardsley.

Unfortunately, the article is factually incorrect and entirely misleading. Indeed, the headline to the effect that it is "Nearly Impossible to Copyright Insurance Policy, Court Holds" is nowhere stated in the governing opinion of the second circuit court of appeals (253 F. 2d 702), and, quite to the contrary, the court there held that "nothing . . . prevents the copyrighting of forms and insurance instruments."

A correct statement of the history of the litigation is the following:

In 1939, Beardsley copyrighted a pamphlet which contained forms, including a proposed bond, and an affidavit of loss and indemnity agreement in connection with a blanket loss securities bond. The principal idea behind this form of insurance was a blanket form of coverage for the replacement of lost securities, which would operate in the future rather than only after the incident of loss.

Continental Casualty began writing a similar form of insurance and was requested by H. T. E. Beardsley to cease this activity. Instead of complying with this request, Continental Casualty brought a suit in 1953 for declaratory judgment, declaring that these forms were not copyrightable and enjoining Beardsley from claiming a copyright on a blanket loss securities bond.

Beardsley counterclaimed, alleging an infringement by Continental Casualty of his valid copyright, and that Continental Casualty was liable for unfair competition.

After a long trial, the district court held that insurance forms were not properly copyrightable and that even if they were, the copyright had been lost by reason of a prior publication by Beardsley before he had obtained the copyright, and further, that there was no infringement. A declaratory judgment was entered as sought by Continental Casualty, together with the injunction which enjoined Beardsley from claiming a valid copyright on any of his insurance forms.

Appeals Court Rules

Both sides appealed to the second circuit court of appeals. The appeals court determined that such forms were copyrightable, stating: "We find nothing which, as a matter of law, prevents the copyrighting of forms and insurance instruments such as those now before us. . . . And since the Constitution and copyright act read directly upon all the forms here involved, we hold them to copyrightable."

However, the court did agree with the conclusion of the district court that infringement had not been proved, and that Beardsley had forfeited his copyright to the lost securities bond by a publication in January, 1939, without any copyright notice.

The court of appeals also held that the injunction granted by the district court was too broad, since it forbade Beardsley from the claim that any of his forms were copyrighted, whereas Beardsley's waiver of probate bond and mail loss bond form were not actually involved before the lower court, and the conclusion of the copyrightability of insurance forms required these forms to be deemed properly copyrighted by Beardsley. In other words, since there were no factual issues as to infringement or forfeiture concerning these two bonds before the lower court, the fact that forms were copyrightable, as a matter of law, required Beardsley's copyright of these forms to be respected.

The only language of the court of appeals, which placed the insurance forms possibly in a separate category, is that dealing with infringement with respect to what the court said: ". . .

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Ind. CPCUs Hear Miley At All-Industry Lunch

Frank Miley, vice-president of W. A. Alexander and retiring president of Illinois Assn. of Insurance Agents, addressed the annual 'all-industry luncheon' presented by Indiana chapter of CPCU at Indianapolis.

Although not officially part of the program of the Indiana agents' meeting, the all-industry luncheon is traditionally held during the convention, and many of the audience of about 200 were agents. Mr. Miley took advantage of this situation to address primarily the agents in the audience on the practical aspects of CPCU. He assured them it was far from "an egghead program" but rather the best way to prepare oneself for the avalanche of changes in the industry. He said the responsibility for better education cannot be put in the lap of the companies, for it has been his experience in Illinois that some of the agency companies did not support legislation for stricter licensing exams. He compared the evils of the present licensing exams in some areas with the recent TV quiz scandals, in that the persons taking the exam are well prepared with the answers in advance.

B. G. Brissman of American States, president of the Indiana chapter, presented a plaque to Donald F. Dean, the retiring president, for his services to the chapter. John D. Phelan, executive vice-president of American States and regional vice-president of CPCU conferred certificates on five designees.

Attending annual meeting of Illinois Assn. of Mutual Insurance Agents at Peoria are, from left: Frank Leberman, Harrisburg; Donald Nish, Elgin, and Palmer App. Messrs. Leberman and Nish are directors of the association, and Mr. App is resident secretary at Chicago of Kemper companies.

Hudson Excess & Treaty Is Organized In N. Y.

Hudson Excess & Treaty Corp., with offices at 20 Vesey Street, New York, has been organized to specialize in excess lines and reinsurance. The firm will have domestic and London facilities.

Anthony N. Christian, president, was formerly with Stewart Smith & Co. in New York, supervising excess lines and reinsurance. Associated with Mr. Christian is Fred J. Eder Jr., formerly manager of the casualty department of R. C. Rathbone & Son, New York brokers.

American Raises Smith In Advertising-Sales

American has advanced Andrew E. Smith from supervisor to assistant superintendent of the advertising and sales promotion division.

Mr. Smith spent a number of years with advertising agencies before joining Hartford Accident in 1952. He graduated from the training school before entering the advertising department.

Nationwide Mutual Cuts Compact Car Rates 15% In Ohio

A discount of 15% on Ohio liability insurance rates for compact autos has been put into effect by Nationwide Mutual.

The lower rates were approved by the Ohio department and went into effect Nov. 16. Applications for the lower rates have also been filed with insurance departments in Connecticut, Delaware, Florida, Indiana, Kentucky, Maryland, Michigan, New Jersey, New York, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, West Virginia, and the District of Columbia.

Nationwide's president, Murray D. Lincoln, said the new rates apply to most of the American made compact cars—including all Corvairs, Falcons and Valiants. Several models of the Lark and Rambler and most models of 30 different foreign makes also qualify.

Autos eligible for the discount are 1955 and later models which do not exceed 3,000 pounds, 200 inches in length, or 125 brake horsepower. They must be priced at $2,300 or less F.O.B. at the factory for domestic cars or at the port of entry for foreign models.

Mr. Lincoln said "it is expected that the 'new dimension' cars will have fewer and less severe accidents. Consequently, they are better insurance risks and entitled to lower rates." The new discount will not apply, he said, in those instances where the owner is already receiving a 15% discount—such as that given to a youthful driver who completes a driver training course.

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Jones Is Kemper Jr. Executive

W. Ben Jones has been appointed a junior executive of the Kemper companies. He is an assistant to the personnel director.

New America Fore Executive Careers Are Reviewed

Most of the 13 America Fore executives promoted last week have had

Edward J. Ryan

William H. Berry

long careers with the group.

Edward J. Ryan joined America Fore in 1923 in the home office of Fi-

Melford J. Pitre

Thomas E. O'Brien

delity & Casualty. He served in Philadelphia as bond underwriter, casualty underwriter and special agent, as agen-

Victor Kurbyweit

Walter D. Sheldon

cy supervisor at the metropolitan office and as eastern department superintendent. He was appointed vice-president in 1957.

William H. Berry joined America Fore in 1934 at Chicago and later served as Wisconsin state agent. He went to the home office as public utilities department manager and became vice-president of the fire companies in 1957. He is a chairman of the advisory and governing committees of Nuclear Energy Property Insurance Assn. and a past president of Wisconsin Fire Underwriters Assn.

Joined Company In 1931

Melford J. Pitre joined America Fore in 1931 at St. Louis and went to the home office in 1933. He became a vice-president in 1955. He is a member of the engineering committees of National Bureau and Assn. of Casualty & Surety Companies.

Victor Kurbyweit has served America Fore since 1920. He held field and executive posts in Philadelphia, Maryland and Delaware before moving to the home office in 1937 as a secretary in charge of the local and brokerage departments of Continental.

Thomas E. O'Brien started in 1932 as an examiner in the home office of Continental. After serving as a special agent in Philadelphia and Hartford he returned to the home office as agency

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General Lines Selling Different From Life, IAC Told; Agency System Upheld

At the midyear meeting of Insurance Advertising Conference in New York, Herbert J. Kramer, public information and advertising director of Travelers, pointed out some snags to be unravelled by property insurers entering the life business. They should recognize that life does not sell itself. Dealing with a life sales force calls for techniques which differ from those used in handling property agents.

In a talk at the concluding luncheon, Williford Gragg, executive vice-president of U.S.F.&G., declared that the future of the business depends upon the strength of the agency system.

Mr. Kramer observed that life agents' enthusiasm must be kept at a peak. To earn a good income, they must produce a large amount of new business each year. Income from life commissions diminishes. There is no solid return, year after year, from renewals, as there is from general lines.

Mr. Kramer suggested difficulties which are encountered in getting property agents to sell life. The well-established general lines agent, with his comfortable income from renewals, takes some convincing to get him back to the pavement pounding required in life selling.

However, the benefits of life marketing for the property insurer are obvious. It is profitable—where a good deal of casualty business is not. Life facilities round out an insurer's portfolio of complete protection.

Opportunities In Life

Mr. Kramer calculated that a general lines agency file of 200 to 300 clients represents $500,000 in potential life sales which can be made to established contacts.

The man who sells life is in a particularly strong position with his client, Mr. Kramer observed. If the client entrusts his economic future to the life agent, he is most likely to place the property and liability coverage with the same person.

Too frequently, he suggested, a general lines agent receives payment on a well rounded program of protection, and yet leaves behind substantial earnings which will be picked up by another salesman—the life man.

Mr. Kramer emphasized that a client will seek protection for treasured property, or to preserve himself from economic ruin resulting from a liability claim. However, the client is not likely to dash into an agency, seeking life insurance against the possibility that he may drop dead in the morning.

Employes of a property company entering the life field must be convinced of the immense contribution the life business makes to people's security. Property insurers must get an all-out effort from management, home office personnel and producers, if they are to be successful in the life business.

There can be nothing tentative about property insurer ventures into this new area, Mr. Kramer concluded.

Mr. Gragg, in defending the agency system, pointed out that it has brought companies to their present stature. Confidence in the ability of that system to keep pace with any and all economic developments cannot be shaken, yet agency stock companies would do well to consider what has taken place in the business and what they can do to assure their position in its forefront.

Mr. Gragg is convinced that one of the major reasons for the growth of the direct writing, non-agency companies is that the independent agency system has worked so well. It has established insurance in the public mind as a necessity.

Produced "Duress Market"

In recent years, safety responsibility laws produced a "duress market" of automobile insurance buyers. This resulted in an entirely new class of prospects and in a reversal of the normal pattern. This market was naturally built on price. Insurance was not

(CONTINUED ON PAGE 22)

Highway Safety Unit Names Lofgren To Head State Program Planning

Nils A. Lofgren has been named director of program planning of Insurance Institute for Highway Safety. He was formerly program consultant in the field service department of National Safety Council.

Earlier, he had been director of field services of Citizens Traffic Safety Board of Chicago, and in the school and college division of National Safety Council.

Mr. Lofgren, who has had 10 years experience in traffic accident prevention work, will be responsible for coordinating staff planning and services in the institute's direct assistance program for states.

Central Casualty Has 3 Agency Appointments In Ky., Wash., S. D.

Central Casualty has made three general agency appointments.

Dornberger & Co. is named at Sioux Falls for South Dakota. Wayne Dornberger, president, has been active as a general agent in the area for over 20 years.

Miller & Webster, Louisville, is named general agent for Kentucky. W. Leslie Miller, president, has also been in the business 20 years.

Armstrong agency is named for the state of Washington. Located in Seattle, the firm is partnered by A. O. Armstrong and his son, Fred. The senior Armstrong has been in insurance 30 years.

Miss Evelyn M. Buehler, president of Insurance Women of New York, felicitated by Harry W. Miller, general U. S. attorney of Commercial Union and president of National Board, at the 25th anniversary dinner of the women's group in New York. Miss Buehler is secretary to J. A. Munro, president of Prudential of Great Britain. More than 150 attended the affair.

National Union Names Wallin Vice-President At East Orange, N. J.

Walter W. Wallin has been appointed resident vice-president of National Union at East Orange, N. J. He was manager of the northern New Jersey territory.

Mr. Wallin entered insurance with Svea & Hudson Ins. Co. and then joined Northern Assurance as New York suburban underwriter, subsequently becoming New Jersey and New England special agent.

He joined National Union in 1949 as northern New Jersey special agent.

Warning To Ohio Taxis Insured By Mich. Surety

(CONTINUED FROM PAGE 1)

ceivership. It is reinsured up to 90% by Continental Casualty, but there was question if this much coverage would be sufficient to meet Cincinnati licensing requirements. Subsequently, Agency Corp. of Cincinnati, a member of Kroll organization which controls Michigan Surety, wrote binders, replacing the business with Exchange Casualty & Surety.

Last week Commissioner Blackford of Michigan recommended to the controller of that state against cancellation of any coverages with that company. Previously he sought to have the Michigan department take over Michigan Surety for liquidation. He heads a three-man operating committee which is overseeing the affairs of the company pending an audit.

In a department newsletter, Superintendent Stowell made clear that any action in Michigan in no way affects the status of the company in Ohio.

Sen. Carroll Addresses Rocky Mountain CPCUs

DENVER—Sen. Carroll, Colorado, was guest speaker here at a meeting of Rocky Mountain CPCU chapter which saw three candidates receive their degrees.

The meeting also featured two panels, the first of which was moderated by James P. Stodolka. The second, entitled "The Successful Defense of Negligence Cases," consisted of Walter A. Steele, Harold B. Wagner and H. Gayle Weller, all Colorado attorneys.

Robert H. Harmon, Fred Gund and Veryl C. Myers were the candidates.

A. R. Miller Of FIA Is Feted On Retirement

A. R. Miller, who has been with Factory Insurance Assn. since 1923 and has been assistant manager in the western department for the last 12 years, is retiring Jan. 1.

Many of Mr. Miller's friends have been feting him—W. H. Markham & Co. agency of St. Louis was host at a luncheon at the Missouri Athletic Club recently, and W. A. Alexander & Co. agency entertained Mr. Miller at the Chicago Athletic Club. Other affairs are being arranged.

Mr. and Mrs. Miller will reside in Waterloo, Ia.

Value Plane In Chicago Crash At $2.2 Million

Trans World Airlines Lockheed super-H Constellation, which crashed while coming down at Chicago Midway Airport after warning of a fire on board, was valued at $2.2 million and insured through Associated Aviation Underwriters.

New York City Brokers Combine Midtown Offices

Two New York brokers, John M. Riehle & Co., and Holly & Co., will operate a joint office in the midtown Manhattan area in order to broaden facilities. Combined staffs and services will be located at 41 East 42nd Street. The organizations will retain their separate corporate identities.

Office Union Challenge Studied At Mutual Casualty Conference

The challenge of office unions and suggestions for improving the experience schedule for liability and workmen's compensation writing were foremost among items taken up at Conference of Mutual Casualty Companies' meeting for accounting and statistical and office methods and personnel sections at Chicago. The conference drew 165 registrants.

Bert M. Walter, vice-president of Clark Equipment Co. of Buchanan, Mich., related his company's experience with an office union. "It is my opinion," he said, "that banks and insurance companies are particularly vulnerable (to organization of clerical personnel) . . . because most insurance companies, like Clark Equipment Co., have said it can't happen here."

Mr. Walter gave three sets of recommendations which he termed alert, danger and do zones. In the alert zone, he recommended keeping employes abreast of times, a salary evaluation plan that makes sense, policing to eliminate unwarranted favoritism in amounts of absence with pay, and a salary program based either on a single rate with automatic progression or a performance (merit) review on some consistent basis.

Are Danger Zone Warnings

The danger zone warned against quick shifts or changes which employes do not understand, lack of a recognizable method of job ranking, absence of an understandable type of job evaluation, inconsistencies in the administration of the company benefit program, and inequities in administration of a salary program.

"Do" recommendations stressed attitude surveys when the climate of employe opinion is unknown, communication which lets the employe know where he stands, emphasis of the benefits of being on salary, explanation of job evaluation and salary structure, and a follow up of salary increases and merit reviews.

In collective bargaining, the company must not compromise on fundamentals, which, in doing so, would violate its operating principles. "You must make sure you are down to fundamentals, because customers and competitors will support you," he advised, cautioning against foolishly holding out for some whim.

Employes should not be promised a reward for rejecting organization or threatened for joining unions, Mr. Walter admonished.

Asked what the employe usually expects to gain from unionization, he replied that most workers want to obtain a formalized method of redress in which their grievances may be aired, and assurances of consistency in application of employe benefit programs.

Normally More Efficient

Mr. Walter remarked that efficiency should normally be considerably better with unionization, because it necessitates a better system for supervisory policing.

The biggest problem encountered in negotiating with an office union, he observed, was in reaching agreement as to what constitutes seniority. The rules which govern shop union seniority are not applicable, he declared.

Thinking in terms of human relations instead of labor relations would be helpful to the industrial life of the country, said Joseph V. Brady, executive vice-president Citizens Mutual Automobile, in his talk "The Priceless Ingredient." The ingredient, Mr. Brady revealed, is the ability to get along with others. "Herein lies the challenge of human relations in business. Meeting this challenge is a real mark of leadership in business."

Consider As Individuals

People, he said, must be thought of in terms of individuals, not groups. Labor may be organized for collective bargaining, but any organization is basically people trying to work together.

D. B. Spangler, Celina Mutual, defined an office supervisor as one who devotes his time and efforts to the maximum development of the worker into the most professionally efficient person he is capable of becoming at all times." Speaking at the office methods and personnel meeting, he listed as qualifications for a good supervisor, one who is aggressive, loyal, inquisitive, versatile and educated. He said he feared that the standard intelligence and aptitude tests used by personnel departments tend to screen out the unusual or the outstanding in favor of the average or normal person. If a company is to grow, it needs men who have above average ability, not those who meet the norm. "Until a better method of selection comes along, we'll be forced to use what I like to call the 3-T method—test, talk and try.

Mr. Spangler said that he wanted his supervisors to be alive and it just happens that the first letters of the five attributes of a supervisor he listed spell out that word.

Employe benefit programs were studied by Terry W. Menzel, Iowa Hardware Mutuals. Mr. Menzel's talk covered plans for group life insurance, group A&S, salary protection, retirement, vacations, paid holidays, and working hours. He suggested $5,000 as the minimum amount of life insurance a company should provide for male employes and $2,000 on female employes. Major medical coverage, he declared, is a must for every company. "Our employes are entitled to good hospital and medical coverage and it is up to each company to find out what coverage their employes want and then provide them with it." However, he said he did not think it necessary to supply employes with full 100% medical coverage.

Mr. Menzel objected to the length of service requirement which most

(CONTINUED ON PAGE 18)

Munich Re Forms Life Reinsurer

Munich Re of Munich, Germany, has organized Munich American Reassurance Co., a Georgia corporation with headquarters in Atlanta, to write life reinsurance business in the U. S.

Munich American is wholly owned by the four German insurers headed by Munich Re. It is applying for a license to do business in Georgia and will apply for similar licenses in other states as its business expands. The company has an initial capital and surplus of $3 million. The German group is expected to make additional capital funds available as the development of Munich American's business requires.

List Directors

Directors of the new company will be Dr. Alois Alzheimer, president of Munich Re; Dr. Hans Goudefroy, president of Allianz Versicherungs-Aktiengesellschaft of Munich, a member of the group of insurers; James Inzerillo, president of Munich Management Corp., the corporate manager of Munich Re's U. S. branch; Thomas A. O'Boyle, member of the New York law firm of Shearman & Sterling & Wright; Lothar Sudekum, U. S. manager of Union Re; Frank T. Davis, vice-president of First National Bank of Atlanta; Robert S. Sams, member of the Atlanta law firm of Troutman, Sams, Schroder & Lockerman; Reed A. Blackwell, vice-president of Gordon Foods; Herman Boozer, vice-president of Georgia Power Co.; Frank M. Malone, vice-president of Southern Bell Telephone & Telegraph, and A. H. Sterne, vice-president of Trust Co. of Georgia.

The new company is the result of almost four years of study by the German group, which led to the conclusion that Atlanta is the logical headquarters for the operation. It is the hub of one of the more rapidly expanding economic areas of the U. S. Also, in Atlanta the new company will be favorably situated to furnish reinsurance services to the relatively large number of new life insurers which have been formed in that area in recent years. The new company will confine its operations to reinsurance of other life companies.

Munich Re is the second largest company in the world engaged solely in reinsurance operations. It is active in more than 100 countries and its branch operation in the U. S. has capital and surplus funds in excess of $8 million, with offices in New York and Atlanta. It has a similar branch in Canada, and a wholly owned Cuban subsidiary which does business throughout Central and South America.

Road Aid Assn. Of Ill. Expands Operating Area

Road Aid Assn. of Illinois, the "credit card" automobile emergency road service instituted by Chicago Board of Underwriters and available at no charge to motorists insured in subscriber stock companies writing automobile cover in Illinois, has expanded its services to Du Page and Will counties in the state. Heretofore, the service was limited to Chicago and Cook and Lake counties.

Charles R. Bayor, Road Aid manager, notes that at the beginning of November the number of phone calls received and processed for 1959 totaled about 20,000. The service is on a 24-hour basis. Road Aid, which got under way in June, 1957, now has some 150,000 card holders.

Producers desiring new directories listing the authorized service stations in the recently added counties may obtain same by writing Road Aid Assn. of Illinois, 175 West Jackson Boulevard, Chicago 4.

Roe Replaces Whitman

Burton D. Roe has been appointed Milwaukee manager and Wisconsin supervisor by Underwriters Adjusting, succeeding James L. Whitman, retired.

Insurance Teachers Set $1,000 For Research

American Assn. of University Teachers of Insurance has appropriated $1,000 for research grants in 1960. Application forms were sent all active members with the ballots for officers. The applications call for a detailed outline of the proposed study; an evaluation of its importance and the groups that might be expected to use it; the methodology to be employed; a detailed study of budget needs; biographical notes.

Cook County Inspection Bureau Advances Plast

Cook County Inspection Bureau ha[s] appointed Lewis R. Plast superintendent of filings to supervise statistical work, rate level adjustments and office procedures. He joined the bureau full time as an inspector in 1950 and advanced to engineering consultant in 1955.

Midwest Fire Loss Adjusting of Detroit has moved to 14744 Fenkell Avenue.

Zurich Profit Plan Brings Agent Underwriting Into Market Program

By JOHN N. COSGROVE

Zurich's new profit sharing agreement is aimed to encourage agents to become selective underwriters.

The new profit sharing plan is multiple line, except for A&S, business under retrospective rating plans, and fire reinsurance business. An inflexible minimum volume of $15,000 annually has been established. The company feels that it gains the respect of the agent in setting this minimum, since it is indicating its desire to do business on a basis that is profitable to both parties. The minimum volume for agents representing the company for fire lines only will be set at the discretion of branch managers.

A model profit sharing statement for the year 1958—taking into account the prior two years—illustrates the profit formula in action. In this example, the ABC agency had written premiums of $51,548 in 1958. For the year, income is represented by premiums earned of $54,697. Outgo is represented by $13,291 in commissions; $9,012 in company expenses, and $12,801 for loss and loss adjustment expenses incurred. Total outgo is $35,104.

The profit item is the difference between premiums earned of $54,697 and total outgo of $35,104, or $19,593. In this example, the profit for 1957 was $16,308 and for 1956 it was $9,227, for a three-year profit of $45,128. The profit subject to contingent commission is one-third of the latter figure, or $15,043.

The profit ratio between the latter figure and premiums earned of $54,697 is 27.5%.

The formula then takes 5% of premiums earned or $2,735 and pays 10% to the agent, or $273.50. Of the next 5%, it pays 15% or $410.25; on the next 10% or $5,470, it allows 20% or $1,094.

The formula then takes 20% of premiums earned or $10,940 in round figures. This is subtracted from the amount subject to sharing, $15,043, to produce $4,103 on which 25% or $1,025 is paid. Total profit sharing commission payable is therefore $2,803. Under the company's old contingent arrangement, the total payable would have been $1,504. The agent thus gains 86% under the new plan.

Other Features

As of Jan. 1, 1960, the new plan replaces any other profit sharing or contingent agreement now in effect. Where such an arrangement is superseded, immediate effect will be given to the three year averaging feature of the new formula, by including in the first and second year's statements the profit or loss from the two preceding years, calculated as if the formula had then been in effect. This will only apply to lines subject to former agreements.

22 Companies Admitted To NAII Membership

National Assn. of Independent Insurers has admitted to membership 13 stock companies, eight mutuals, and one reciprocal.

New stock company members are National Automobile, Atlantic Beach, Fla.; American Homeowners, Washington, D.C.; National Home, Miami; Southern Guaranty, Montgomery, Ala.; Harbor, Los Angeles; Grange League Federation, Ithaca, N. Y.; United Security, Baton Rouge, La.; Financial Fire & Casualty, Fort Lauderdale, Fla.; Great American of Dallas Fire & Casualty, Dallas; Mortgage Guaranty, Milwaukee; Southeastern Fidelity Fire, Atlanta, Ga.; Peninsular Fire, Jacksonville, Fla., and Manchester Insurance & Indemnity, St. Louis.

New mutual members are Texas Farm Bureau Mutual, Waco; General Union Mutual, Chicago; Washington County, Washington, Pa.; Harleysville Mutual, Harleysville, Pa.; Dakota Mutual Fire & Casualty, Yankton, S. D.; Florida Farm Bureau Mutual, Gainesville; Monarch Mutual, Chicago, and Adams Mutual, Chicago.

The new reciprocal member is Food Service Exchange of Tampa.

Nationwide Mutual Has Gain In First Nine Months

Nationwide Mutual in the first three-quarters had premium income of $118 million, up 14% from last year. The company recorded an operating gain of $4.6 million. Investment income of $3.2 million was up 7%.

The affiliated Nationwide Mutual Fire showed premiums of $18 million, a 23% gain, and an operating gain of $1.3 million. Investment income was up 17.9%, at $599,000.

The newly organized Nationwide General has completed its first year and had net premiums of $550,000 and an operating loss of $231,000 which is attributed to cost of getting started.

Doctors Feel Backwash Of British Commercial

Practical aspects to the insured of the failure of British Commercial, the English company that was writing a large excess business in the U. S., is contained in the Nov. 16 issue of AMA News, the publication of American Medical Assn.

The doctors are concerned because many of them have professional malpractice coverage in the London market under policies which read the insurers are "Lloyds, London, and/or companies." One of these companies could well be British Commercial, the AMA News notes, citing the case of a doctor who was confronted with a malpractice action based on a 1955 case. During the course of the litigation, Lloyds informed the doctor that he was covered for only 20% of his liability because 80% of the policy was carried in British Commercial. Fortunately for the physician the case was dismissed, because had he been found liable he would have had to pay 80% of the judgment and become a creditor of British Commercial. He would have collected a percentage of his 80% payment from the company, depending on how the company is liquidated. He might have had to wait five or six years before collecting the first penny.

In another column, AMA News reports that some 18,500 physicians who are members of AMA have had a medical professional liability claim or suit brought against them at some time in their careers. Specialists, about 44% of the MD population, are defendants half the time, and about 63% of the claims arise from surgery.

Fund Makes Changes In Department, Field

A. Roy Thomson has been appointed manager of inland marine operations in the Pacific department of Fireman's Fund, with headquarters at the home office. He succeeds Myron DuBain, who is now assistant vice-president in the nationwide inland marine operations.

Mr. Thomson joined the Fund as an inland marine adjuster in 1950, going to the inland marine underwriting department in 1951. He was appointed superintendent of the inland marine department at San Francisco in 1954 and in 1959 became assistant manager of the Pacific inland marine department there.

William Patterson succeeds Mr. Thomson as assistant manager of the Pacific inland marine department. He joined the company in 1948 and in 1954 was assigned field duties in San Diego as a combination inland and ocean production man. In 1956 he returned to San Francisco as agency superintendent with companion underwriting responsibilities.

Nicholas R. Castallano was named a bond and burglary special agent in Washington, D.C., to replace Brian M. Vessa, who went to the Pittsburgh office. Mr. Castallano joined the fund in 1954 as a metropolitan marine claims adjuster and two years later went to Philadelphia as a fire claims adjuster. From 1952, until going to Washington, he was bond and burglary special agent at Newark.

Omission In Wis. Handbook

An omission of the Gail agency has occurred in the 1959-1960 edition of the Underwriters Handbook of Wisconsin. This agency is located at 622-59th Street in Kenosha and represents the following companies: Century; Employers; Employers Liability; Fidelity & Deposit; First National; General of Seattle; Great American; Hartford Accident; Hartford Fire; Hartford Live Stock; Illinois Mutual Life & Casualty; London & Lancashire; National Fire; Pennsylvania Fire; Phoenix of Hartford; Providence Washington; Safeco; Western Surety. These companies are shown for the Joseph Funck agency which represents Equitable F. & M.; Fidelity & Deposit; North British; Royal Indemnity; Royal; Travelers.

Bleeker, von Otter Named V-Ps Of Global Reinsurance

Dr. Henry J. Bleeker has been elected vice-president and general manager of Global Reinsurance of Toronto and Casten von Otter has been elected vice-president and assistant general manager.

Dr. Bleeker has been with Nederlandsche Transport Verzekering Mig. N.V. of Rotterdam for 15 years as managing director. Before that he was with Philips Gloelampen of Rotterdam as secretary in the commercial department for three years.

Mr. von Otter started in insurance in 1947 with Aequitas, a Swedish reinsurer, and in 1952 went with Swedish Atlas Reinsurance, becoming assistant manager in 1953 and manager in 1954. He joined Global Reinsurance in 1958.

Va. UM Cover Cut To $1

Virginia corporation commission has reduced the uninsured motorist coverage fee to $1. The new rate is effective Dec. 15 on new and renewal business.

National Bureau and Mutual Insurance Rating Bureau had proposed that the rate be reduced from $6 to $3. The UM fund is reported to stand at $898,474, and this will be distributed among insurers.

NAMIA In Supplement To Accounting Manual

A tested solicitor's contract is the feature item in a supplement to the simplified accounting manual of National Assn. of Mutual Insurance Agents.

Including a salary plus commission arrangement, with a year-end reconciliation to adjust for a final commission, the contract also offers a settlement method in the event of the solicitor's death or disability. Contract termination arrangements are specified. The problem of expiration ownership is also covered, and a statistical example of how the contract works is attached.

The supplement also includes a study in control of disbursements, and a memorandum on personnel selection.

The supplement is available in looseleaf form not only to holders of the simplified accounting manual but to all NAMIA members. The cost is $2 to manual holders and $3 to non-manual holders.

29 Attended North America Eight Week Agents' Course

Five honor students were named following North America's 51st school for agents completed at Philadelphia. Attending the class were 29 agents from 16 states, who received an eight-week course in the principles of fire, casualty and marine insurance.

The honor students were Donald W. Wanamaker of W. D. Morton agency, Portland, Ore.; Robert Ingersoll, Robert Cunningham agency, Mason City, Ill.; Robert M. Neal, Linton agency, Lincoln, Me., and Edward L. Hite, Wm. H. Hite agency, St. Paul.

Myers Elected President

D. C. Myers, R. S. Landen Adjustment, has been elected president of Columbus (O.) Claims Club. Other officers are E. W. Koetz, Ohio Casualty, vice-president; Richard Keitz, Nationwide, secretary, and R. M. Shoemaker, U.S.F.&G., treasurer.

New Hampshire Cuts Nine Month Loss; To Act On More Capital

New Hampshire had an underwriting loss of $328,747 for the first nine months of 1959 compared with a loss of $2,026,865 for the same 1958 period. Premiums written were up by $3,361-379 to $35,121,742. Policyholders surplus was down to $26,422,878 from $26,636,556 at Dec. 31, 1958.

Investment income for nine months was $1,365,622, a gain of $129,399 over the similar period in 1958. Operating profit was $1,036,875, or $2.59 a share compared with $1.98 a share.

At the November meeting, directors voted to recommend to stockholders for action at the annual meeting in March, 1960, the increase of authorized capital from $4 to $5 million. In addition to permitting consideration of stock dividends as conditions warrant, the availability of an additional 100,000 shares of $10 par value stock might prove desirable for other corporate purposes, the directors said.

New Hampshire declared an extra dividend of 10 cents a share, payable with the regular quarterly dividend of 50 cents, on Jan. 2 to stockholders of record Dec. 11.

Maybury Succeeds Fodell For GAB At Pittsburgh

William A. Maybury has been appointed to succeed Frank V. Fodell who retired as Pittsburgh general adjuster of General Adjustment Bureau.

Mr. Maybury, who has been Pittsburgh office manager, joined GAB in 1936.

Mr. Fodell joined GAB in 1931 at Pittsburgh. He was made manager there in 1945, and general adjuster in 1955.

Slate CLU-CPCU Breakfast For Insurance Teachers

American Institute and American College will entertain American Assn. of University Teachers of Insurance at a joint CLU-CPCU breakfast in Washington, D.C., Dec. 28, during the association's annual meeting. The breakfast has been a traditional function at the AAUTI meeting for a number of years.

Conventions

Dec. 27-29, American Assn. of University Teachers of Insurance, annual, Washington, D. C.

1960

Jan. 28-30, Federation of Insurance Counsel, mid-winter officers meeting, Mountain Shadows resort, Scottsdale, Ariz.

Feb. 4-5, Conference of Mutual Casualty Companies, fire meeting, Conrad Hilton Hotel, Chicago.

Feb. 15, Insurance Economics Society, executive committee, Drake Hotel, Chicago.

Feb 17-19, Michigan agents, midyear, Sheraton Cadillac Hotel, Detroit.

Feb. 18-20, Texas mutual agents, midyear, Commodore Perry Hotel, Austin.

Feb. 22-24, National Assn. of Surety Bond Producers, annual, Boca Raton Hotel, Boca Raton, Fla.

March 3-4, Washington agents, midyear, Marcus Whitman Hotel, Walla Walla.

March 10-11, Conference of Mutual Casualty Companies, underwriting meeting, Conrad Hilton Hotel, Chicago.

March 10-12, Tri State mutual agents of Pennsylvania, Maryland and Delaware, annual, Pittsburgh Hilton Hotel, Pittsburgh.

March 15, New Jersey agents, midyear, Stacy Trent Hotel, Trenton.

March 17-18, Ohio mutual agents, annual, Manger Hotel, Cleveland.

March 27-29, National Assn. of Insurance Agents, Southern territorial conference, Arlington Hotel, Hot Springs, Ark.

April 6, New Hampshire agents, midyear, Manchester Country Club, Manchester.

April 7-8, National Assn. of Casualty & Surety Agents, midyear, St. Anthony Hotel, San Antonio.

April 10-12, Mississippi mutual agents, annual, Buena Vista Hotel, Biloxi.

April 23-27, National Assn. of Insurance Agents —National Board of State Directors, midyear, and Midwest territorial conference, Netherland Hilton Hotel, Cincinnati.

April 24-26, Florida mutual agents, annual, Fort Harrison Hotel, Clearwater.

May 1-3, Iowa agents, annual, Blackhawk Hotel, Davenport.

May 2-3, Minnesota mutual agents, midyear, Pick-Nicollet Hotel, Minneapolis.

May 5-6, Conference of Mutual Casualty Companies, claims meeting, Conrad Hilton Hotel, Chicago.

May 8-10, Alabama agents, annual, Stafford Hotel, Tuscaloosa.

May 8-10, Pennsylvania agents, annual, Hotel Hershey, Hershey.

May 9, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach Hotel, Chicago.

May 9-11, American Mutual Insurance Alliance, annual, Edgewater Beach Hotel, Chicago.

May 9-11, National Assn. of Independent Insurance Adjusters, annual, Broadmoor Hotel, Colorado Springs.

May 10, Assn. of Casualty & Surety Companies, annual, New York.

May 12, Midwestern Independent Statistical Service, annual, La Salle Hotel, Chicago.

May 13-14, Oklahoma agents, annnual, Mayo Hotel, Tulsa.

May 14-16, New York agents, annual, Concord Hotel, Kiameska Lake.

May 15-17, Virginia & District of Columbia mutual agents, annual, Shoreham Hotel, Washington, D. C.

May 15-18, North Carolina agents, annual, Carolina Hotel, Pinehurst.

May 16, Vermont agents, spring meeting, Woodstock Inn, Woodstock.

May 16-18, Health Insurance Assn., annual, Statler Hilton Hotel, Dallas.

May 16-18, Insurance Accounting & Statistical Assn., annual, Sherman Hotel, Chicago.

May 19-20, Arkansas agents, annual, Arlington Hotel, Hot Springs.

May 19-21, Texas agents, annual, Austin Hotel, Austin.

May 25-27, National Assn. of Independent Insurers, workshop, Jack Tar Hotel, San Francisco.

May 26, National Board of Fire Underwriters, annual, Commodore Hotel, New York.

May 28-June 1, American Assn. of Managing General Agents, annual, Sea Island, Ga.

SMITH AT DETROIT:

Research, People Are Essential For Success Today

Success for companies and agencies alike depends primarily upon two essentials—research, particulary marketing research, and people, Bradford Smith Jr., executive vice-president of North America, told the CPCU all industry luncheon at Detroit.

A technique, like marketing research, which has proven so vital to survival and growth of industry in general, warrants more than a casual interest, Mr. Smith stated. Accordingly, the basic question becomes—How may the insurance business employ marketing research to the best advantage?

Investigation Possibilities

Among those areas which the insurance business should especially investigate are markets, performance and distribution. Questions which immediately come to mind are: Will a present agency force be able to serve a market increased by almost one-third in ten years time? What additional company facilitities, if any, will be needed in a given state? Where should they be located? How can team effort between company and agent be improved to keep expenses at a minimum and profit at a maximum? It is through marketing research that such questions are answered, Mr. Smith suggested.

Such research is particularly revealing with regard to premiums on an installment basis. The idea of paying for fire insurance in annual installments was introduced in 1947. It was bitterly resisted by the industry. And this despite the fact that installment credit was an accepted method of doing business in practically every sector of the economy, Mr. Smith said.

24 Out Of 100 Are Average

Everyone would like to sell for cash in advance to above average income families, but research makes it plain they number only 24 families out of every 100. Wholly apart from the additional customers that can be secured because of the installment basis, "it seems to me that we have an obligation to make insurance available to members of the community on the best terms we can offer," Mr. Smith stated.

The competition of direct writing property and casualty companies sounded the death knell of obsolete and uneconomic methods. The choice facing the stock-agency companies is not 'shall we" or "shall we not" install modern electronic computers, but rather "how shall we employ them profitably in the race for the favor of a price-conscious public?" he said.

Turning to the subject of people, Mr. Smith said the business is not attracting the ambitious, talented, and idealistic young people it needs. This is the conclusion that he drew from a survey he had his company's personnel and education departments conduct. Placement officers of a number of colleges and universities were contacted and the results are "illuminating," he said.

To the question, "Is the insurance industry obtaining a fair share of talented college graduates?" 47 replies indicated "no" and 22 said "yes." To the question, "Do careers in insurance appeal to college graduates to the same degree as careers in other forms of industry?" 61 placement officers said "no" and 7 said "yes."

Student prejudices regarding insurance are that an individual cannot be successful in the business unless he is the sales type; insurance is conservative, reactionary and dull; promotion and advancement depend upon how fast a company retires old-timers; earnings depend immediately upon sales; insurance is a field that one can always get into if not successfull in something else; and it is a low paying industry, unchallenging and non-intellectual.

This indicates the extent of the public relations and personnel problem the industry is faced with, Mr. Smith said.

Great American's Webb Retiring After 60 Years

Alexander Webb, Virginia-Carolinas co-manager of Great American, will retire Dec. 31 after 60 years with the company.

He entered the business as a local agent at Asheville, N. C., and in 1898 was instrumental in the formation of North Carolina Assn. of Insurance Agents, serving as its first president.

During that year, he was chairman of a legislative committee to prepare for the creation of the North Carolina insurance department. The legislation prepared under Mr. Webb's guidance was subsequently enacted into law.

In 1899, Mr. Webb was elected vice-president of North Carolina Home and in 1912 was made president, serving also as North Carolina manager of other companies of the group.

Arkansas CPCU Chapter Hears Harry F. Brooks

Harry F. Brooks, managing director American Society, addressed Arkansas CPCU chapter at the November meeting. He urged the local CPCU group to extend its educational and informational activities by working closely with other of the state's professional associations. The Arkansas chapter will hold its annual meeting during the midyear gathering of Arkansas Assn. of Insurance Agents, Little Rock, Nov. 29-30.

Brumbaugh Fla. State Agent

New Hampshire has advanced Vere Brumbaugh from special agent to state agent at Tampa. He has been with the company in Florida since 1957.

Pacific Actuaries Elect Buckman; Discuss A&S Plans

PASADENA—The fall meeting here of Actuarial Club of the Pacific States elected A. L. Buckman, Beneficial Standard Life, president, and heard some interesting comments regarding the introduction of 65 and over A&S plans.

Other officers elected at the two-day meeting were E. H. Neuschwander, Fireman's Fund, vice-president, and Stuart A. Robertson, Milliman & Robertson, secretary.

Mr. Neuschwander said a problem

his company had not anticipated was that many of the older people were simply lonesome and happy to have someone to write or talk to. Fireman's Fund found that it took three employes full time to reply to the letters received from people interested in the advertisements, even though in some cases they did not have any money to purchase the insurance.

Several members of the association indicated their companies were making efforts to provide the 65-plus coverage. Underwriting, they noted, was "fairly liberal" and was intended to control gross anti-selection. The rejection rate was very high, but the persistency was good. Loss ratio has been about 35%. The main difficulty seems to be to obtain enough money for reasonable benefits.

Other speakers noted other problems: Over-insurance, and the difficulty of dealing with nursing homes in situations where it is cheaper for insured simply to stay there.

Discussing the possibility of self-administration of hospital and medical programs for medium-sized groups, it was suggested that on a group of approximately 2,000 lives, statistical processes indicated that about 7% of the premium would be required to cover fluctuations. The employer should have some experience with an insured plan and the advisory committee should include representatives from the medical profession.

Criticizes Public Relations

Another speaker suggested that companies had done a poor public relations job in allowing self-administered plans to squeeze out insured plans. The self-administered plan does have some hidden costs—such as the cost of bonding trustees and adminis- trators. On the other hand, the in- surance industry should apprecia that fees and commissions should on be paid for actual services rendered.

There was also a discussion of the reasons underlying the recent chang in the California Unemployment Com- pensation Law. It was mentioned the the state fund started out with substantial amount of money and th had grown to a total of $144 millio by the end of 1957. In addition, the were $139 million earmarked for dis ability benefits from the unemploy ment fund.

Since all of this money had com from the workers, there was an argu ment presented for spending it on in creased benefits before taxes were in creased, and the legislature has en tered upon a deliberate policy to re duce the reserves. The latest estimate available indicate that by 1963, th reserve will have been reduced to $4 million. These estimates might be af fected considerably if a large numbe of voluntary plans revert to the stat but it is not certain how this will af fect the reserve. No determinatio has yet been made of what the min imum reserve should be.

Another topic of discussion was or dinary life insurance. Three subjec were discussed under this main head ing: Non-participating premium base possible changes in the standard non forfeiture law, and the impact of th new income tax law on various aspec of life insurance.

Pa. Simplifies Procedure On Authorizing Capital

Gov. Lawrence of Pennsylvania h signed a bill to simplify procedur which an insurer must follow to i crease its capital.

In 1956 the requirement that t consent of the persons holding t larger amount in value of the sto first be obtained was removed. T new law makes it no longer necessa to require the 60 days' notice.

Pensacola Agents Elect Stephens

Kenneth W. Stephens Jr. has be elected president of Greater Pensaco Independent Agents' Assn. Other o ficers are Terry Richardson, vic president, and Merlene Hall, secretar treasurer. E. M. Brown, bond manag Lumbermen's Mutual Casualty, w guest speaker at the November mee ing.

Mutual Men Told Property Valuation Onus Is On Them

Property insurance companies must give greater recognition to the importance of property valuation as an underwriting factor, Bruce S. Stake, St. Louis, regional fire insurance manager Michigan Mutual Liability, told some 400 underwriters at the annual Mutual Insurance Technical Conference at Chicago. He held that providing means of estimating insurable value is a service owed to policyholders, and that in order to provide value-estimation service of worth considerable technical training is necessary.

"Can we presume to be selling the right amount of insurance if such determination is left solely the problem of the property owner?" he asked. "Not one property-owner in a thousand is capable of estimating the insurable value of his property, and few even recognize the meaning of the term 'actual cash value.' We may give the owner the sound advice to have his property appraised, for a detailed appraisal will prove invaluable in settlement of a loss. But too often such advice is disregarded and properties are insured without regard to true insurable value. Unless we can prove a coinsurance deficiency and fully invoke the penalty for non-compliance, we have been short-changed on the rate charged.

"We cannot pass off the matter by merely telling the owner to get an appraisal. That is like a doctor's telling a patient to go find out what is wrong with him, and he then will prescribe the treatment. Nor can we simulate any degree of professional counsel by unsubstantiated street-corner guesses on value of the property to be insured. The onus is on us."

Rough Notes Editor Speaks

The new business interruption insurance program was analyzed by Roy C. McCormick, editor policy, form and manual analysis service of Rough Notes Co. He said there is a huge untapped market for the coverage, with less than one-tenth of retailers in towns under 25,000 population carrying it, and with two out of three of them never having been solicited. He held that the coverage has been confusing even to many competent agents and brokers, the reason it has been so badly undersold. The new program designed to use the gross earnings approach is an effort to correct this difficulty.

Differences Outlined

Some ways in which underwriting problems in business interruption insurance differ from those encountered in property insurance were outlined by Marion E. Newman, Minneapolis, CPA, consultant in many such losses.

Underwriters trying to determine possible existence of moral hazard in applicants for property insurance might be aided by study of methods employed by executives granting mercantile credit, in the opinion of C. G. Bunting, secretary-treasurer of Fenestra Inc., Detroit building materials manufacturer. He listed factors to be used in appraising credit standing of new business organizations and methods of analyzing 14 important ratios to be found in financial statements.

Herman Shide, Mutual Insurance Rating Bureau attorney, listed some of the key points of the bureau's package automobile policy program and said that flexibility is the keynote of the program, and a variety of options are built into the policy itself, as well as into other phases. He added that the objective was a product combining maximum ease and economy of handling while meeting the needs of the greatest possible number of insureds. This flexibility also enables each company to devise its own individual risk or merit rating procedure if it so desires, he said.

1959 Program Has Easier Time

"The Mutual Insurance Rating Bureau's 1959 rate program did not encounter the administrative difficulties before state insurance supervisory authorities which were encountered in 1957 and 1958," declared Mr. Shide. "There was more success in securing timely approval for needed increases of automobile liability rates. Automobile underwriting has not yet been shown to have recovered from the expensive results of recent years. It will be necessary to continue giving close attention to automobile liability experience, and to take prompt action wherever indicated, if this line is to be placed on a profitable basis."

Congressman Walter H. Judd of Minneapolis will address the annual meeting of **Insurance Federation of Minnesota** Dec. 16 at Minneapolis.

General Of Seattle Makes Four Changes At River Edge Office

General of Seattle has made four changes at its River Edge, N. J., office: William H. Intemann becomes sales manager, Charles R. Treadgold, office manager, and Arthur W. Harrington Jr. and Michael J. Pasino, administrative managers.

Formerly sales representative and later manager of the River Edge office, Mr. Intemann has been with General since 1955. Mr. Pasino, formerly accounting supervisor at St. Louis, joined the company in 1954.

Mr. Treadgold has been with General since 1954. He was formerly a sales representative at Charleston. Mr. Harrington, formerly with Travelers, joined the company this year.

Minner In Western Tenn.

Aetna Fire has appointed W. E. Minner state agent for western Tennessee, succeeding James Haugen, who is resigning to enter local agency work. Mr. Minner has been in the Colorado field.

Office Union Challenge Studied At Mutual Casualty Conference

(CONTINUED FROM PAGE 9)

companies tie to their salary protection plan. He said his company has sickness coverage which pays 80% of an employe's salary up to $400 per month up to two years, and it provides accident coverage for the same amount up to five years.

He said he favored a retirement plan in which the company and employes both contribute. "You can select a better plan when the employes also pay part of the cost and they usually take more interest in the plan." He noted that under his company's plan, the yearly amount of retirement annuity will be one-third of the employe's total contribution under the plan.

Need Realistic Vacation Schedule

Employes do better work if they are able to get away from their job every so often, but most companies have not revised their vacation schedules in decades. In his opinion, he said a more realistic up-to-date vacation schedule would provide for a week vacation allowance for six months' service, two weeks for a year, three weeks for 10 years, and four weeks for over 15 years.

Touching upon paid holidays, Mr. Menzel said that when regular scheduled holidays fall on Saturday or Sunday, the company should observe the holiday the preceding Friday or the following Monday. He said he did not advocate a shorter work week at this time, but he did recommend that companies provide 15-minute coffee breaks in the morning and afternoon.

All these fringe benefits, in the amounts that he mentioned, would cost a company between 20 to 30% of its payroll. "Each of your employes should be receiving annual benefits of between $800 and $1,000," he declared.

Salary administration was discussed by R. M. Van Winkle of State Farm Mutual. A good program, he said, should be logical to the people who administer it and to whom it is administered, should be specific in stating the manner in which it shall operate, and must be sold by every conceivable method of communication.

"It would seem that communication is the key to this entire area of salary administration, for . . . we find that present day employes are desirous of, or perhaps even demanding of, a better understanding of what their salaries are based on." This, he said, is the result of full employment conditions in which the job holder is in a position to question his salary.

Setting up a job evaluation program was explained by Carl R. Harrington Jr. of Nationwide Mutual. This, he said, begins with the company formalizing its attitude on salary by putting its salary policy in writing. The object is to pay the going rate for employe services, and to obtain the lowest possible unit cost for companies. Additional areas to convert this policy and objective into practice were job grading, a salary schedule to pay the going rate, and salary administration to keep the program up-to-date.

Schedule P was found to be in some ways obsolete by S. Alexander Bell of Peat, Marwick, Mitchell & Co., Chicago. He spoke at the accounting and statistical conference. Mr. Bell reviewed the three functions of Schedule P: To develop and compare the earned premiums and incurred losses in the liability and workmen's compensation coverages; develop a prescribed loss reserve calculation to serve as a floor under the reserves carried on losses, and to develop a schedule of loss reserves carried at the end of each of the five preceding calendar years.

Might Stand Revision

The only item in the experience part of Schedule P which might stand revision is the percentage allocation bases for unallocated loss expense, he said. These percentage bases were determined years ago when most of the companies used largely independent adjusters to settle and investigate their claims. The function of calculating a

oor under the loss reserves has not een accomplished too well during the st 20 years, Mr. Bell said. Originally loss expense ratio of 60% was high nough to include even the marginal mpanies. Auto liability now is being ritten more and more on a discounted r deviated basis at rates in which the ermissible loss and loss expense ratio s assumed to be higher than 60%. Insofar as such companies were conerned, this schedule became obsolete." chedule P has failed in this field beause the permissible loss and loss xpense ratio on which it is based has ot been revised, he explained.

"The only way is to make the floor nder the loss reserve reflect the ermissible loss and loss expense ratio f the principal type of business writen by the company; in other words, tie the percentage of the floor under he loss reserve to the actual loss xperience of the company," Mr. Bell eclared. When a new company files s liability rates and indicates that hey are predicated upon a loss and oss expense ratio of 70% it should be equired to start its Schedule P comutation with a 70% minimum. As he experience is developed through ubsequent years, the percentage hould be revised to coincide with the atest loss ratio developed during the econd period, but in no event should t be less than the permissible loss and oss expense ratio contained in its rate ilings.

rges Quick Attention

"The sooner the appropriate comittees of the NAIC tackle this subect, the sooner the rash of marginal ompanies organized to write autoobile liability on substandard risks r without sound underwriting conols will be eliminated from the enerally healthy and responsible body f insurers in the country," Mr. Bell aid.

Use of frequency and severity statiscs in automobile insurance was disussed by Wayne A. Wilson, Nationide Mutual. The best method of alculating frequency, he opined, is to se the unit of exposure. In reporting laim frequency, he recommended usng the number of claims reported per ar per year or per six months dependng on the basic policy term. Mr. Wilon then discussed the pitfalls in nterpreting such a frequency by state, y office, by sales area and with other ompanies.

The tools of cost accounting and udgetary controls were discussed by . W. Byrne, Shelby Mutual. In prearing to meet competition, one must ake stock of his present position and ecide on a course of action. He must ind out what is being done, who is doing it, why he is doing it, how he does it, and how much it costs. Mr. Byrne urged accountants to make their reports to management meaningful. "Don't make management try to figure out what is happening. Tell them."

Reviews Income Tax Laws

Income tax laws were reviewed by George D. Haskell, economist of American Mutual Insurance Alliance. He noted that mutual companies pay taxes regardless of underwriting results and that this tax is never less than corporate rates on net taxable investment transactions. However, a stock company may pay less than corporate rates on investments.

Insurers prefer a premium tax to an income tax on the state level, but opposed a federal premium tax. He said the reason for this inconsistency is that on the state level the retaliatory laws prevent excessive rates, but the retaliatory law would not operate against a federal premium tax. Income taxes, he said, are unimportant on the state level but the threat of them "is ever present as state income lags behind expenditures."

Holmes Heads Cleveland Surety Underwriters Assn.

Surety Underwriters Assn. of Cleveland has elected Reginald S. Holmes, American, president. Other officers are David Templeton, Aetna Casualty, vice-president; Jack Plympton, Standard Accident, secretary, and John Fink, Columbia Casualty, treasurer.

Truesdale In Claims For Worcester Mutual

David R. Truesdale has joined Worcester Mutual as claims secretary. He has been with Hardware Mutual Casualty of Wisconsin for the past 25 years. Most recently he was in charge of claims operations for that company and its fire affiliate in New England.

Mr. Truesdale is past president of the Boston Casualty Claims Manager Council and of Boston Assn. of Claims Executives.

Sayre & Toso-W. B. Brandt Executives Meet At K. C.

KANSAS CITY—Three key meetings of top executives from Sayre & Toso-W. B. Brandt & Co. and its affiliates have been held here.

Insurance Equities Corp. and Holland-America each held board meetings. The former is a holding company that owns all the stock of Sayre & Toso-W. B. Brandt and Holland-America.

N. J. Bars May Be Sued For Serving Intoxicated Patrons

New Jersey supreme court has ruled that a tavern owner who serves or permits an employe to serve liquor to a "visibly" intoxicated person or to a minor may be sued. In reversing a superior court decision, the high court ordered that a $453,000 suit against four Newark taverns be tried by a jury. The decision also noted that it is the responsibility of a bartender to determine whether a customer is sober.

The ruling came in a suit brought by the widow of Arthur Rappaport of East Orange who was killed in 1957 when his car collided in Newark with one driven by Robert Nichols, then 18. Nichols was declared intoxicated by a physician. Mrs. Rappaport sued the four Newark taverns, where Nichols had allegedly been drinking, for $453,000, and brought separate suit against Nichols, his mother and a friend who had supposedly bought drinks for Nichols. The latter suit was held up, pending disposition of the appeal on the suit against the taverns.

C.&S. Club Of New York Annual Dinner On Dec. 9

Casualty and Surety Club of New York will hold its annual dinner and Christmas party Dec. 9 at the Waldorf-Astoria. Nearly 1,000 executives and their friends will attend.

James M. Grant, Fidelity & Deposit, secretary-treasurer, will handle tickets and seating arrangements. George F. Avery, U.S.F.&G., is vice-president and entertainments chairman.

Officers will be elected at a brief business session during the dinner.

Defendants Still Hold Lead In Cook County Courts

Plaintiffs in Chicago area courts have been awarded $597,790 in damages out of an aggregate of $1,991,250 they tried to collect, according to Cook County Jury Verdict Reporter in its summary of the period Sept. 1-Nov. 27. Defendants hold a 68-53 edge in not guilty verdicts of contested cases.

There have also been 15 guilty verdicts in uncontested cases with awards amounting to $245,776.

American Re Declares Extra, Stock Dividend

American Re has declared an extra dividend of five cents in addition to the regular quarterly 30 cents, and a stock dividend of 2% on the one million shares outstanding. The cash dividends will be payable Dec. 15, and the stock dividend Dec. 29, with Dec. 4 the record date for both.

No fractional shares or scrip certificates will be issued in connection with the stock dividend. Qualifying stockholders who hold a number of shares not evenly divisible by 50 will have the option of selling fractional shares or rounding them out through purchase.

San Antonio Claim Men Elect Roy Page President

Roy Page, Roy Page & Associates, has been elected president of San Antonio Claim Men's Assn. Other officers elected: Frank Spencer, Aetna Casualty, 1st vice-president; Donald Caldwell, Donald Caldwell & Co., 2nd vice-president, and Warren Pennington, Allstate, secretary-treasurer.

New America Fore Executives' Careers Are Previewed

(CONTINUED FROM PAGE 6)

superintendent for New England a[nd] Long Island. He was appointed sec[re]tary in 1957.

Walter D. Sheldon started in 1[9..] with Niagara at Newark. In 1954 was named agency superintendent [in] the home office. He became secreta[ry] of the companies last year.

J. Homer Donica joined Ame[rica] Fore in 1925 at Chicago and la[ter] served in Cleveland as a special a[gent] before going to the home office in 1[9..] He served in the inland marine dep[art]ment, general cover and multiple p[eril] departments before transferring to [the] recording department where he sup[er]vises New England and New York.

William L. Brennan joined Co[nti]nental in 1916 in the home office m[...] department. He served in the au[to]mobile and loss departments, as st[aff] adjuster, as adjuster in charge of [in]land marine losses, and as assist[ant] general adjuster.

Thomas W. Booth joined Amer[ica] Fore in 1954 as an assistant adjus[ter] in the home office. He was appoin[ted] general adjuster a few months la[ter] and an assistant secretary of the [...] companies in 1957.

New Jersey State Agent

Harry W. Kohler started in 1936 [as] an engineer in New Jersey, was sta[te] agent there until 1946 when he w[ent] to the home office as engineering d[e]partment superintendent. In 1952 [he] was named agency superintendent. [He] is past president of New Jersey Fiel[d]men's Assn.

W. Hugh Hunter entered insuran[ce] in 1934 with Texas Insurance Checki[ng] Office at Austin. He joined Ameri[ca] Fore in 1937 as Dallas special age[nt] and was named assistant secretary [of] America Fore companies in 1957.

Lane C. Kaley joined America F[ore] in 1952 as inland marine departme[nt] superintendent at the home offi[ce] after 13 years with Fire Assn.

Sylvester P. Eisemann joined Nia[g]ara as an underwriter in 1916 a[nd] became Brooklyn manager in 1958.

Manuel J. Tanz joined F.&C. as [an] underwriter in 1916 and became re[si]dent manager of F.&C. at Brookl[yn] in 1957.

Mich. Agency Honored On 65th Year With Travelers

Travelers has honored the Thatch[er] Patterson & Wernet agency of Ponti[ac,] Mich., at a luncheon marking its 65[th] year representing the company. Carl[e]ton C. Patterson, L. Campbell Wern[et] and Carleton C. Patterson Jr., ope[r]ators of the agency, were presen[ted] with a 65-year plaque by Walter [...] Pattee, Howard G. Tyler and Arth[ur] C. Walker, Michigan managers [of] Travelers.

eeman To Head New England Mut. Agents

(CONTINUED FROM PAGE 2)

e other New England states. There however, much in common among e New England agents, despite the ifferent legislative situations and ch special features as the Massa-husetts compulsory automobile insur-nce picture, and the group is a armonious one.

The meeting got under way with ncheon Thursday, after which Harry shmore, Danbury, Conn., agent, gave is ideas on company-agent relations. e emphasized that loyalty and con-fidence are needed on both sides. An gent should expect nothing from his ompanies unless he lives up to his bligations, such as following his un-erwriting instructions, seeing that pplications are filled in completely nd accurately, accidents and losses eported promptly and fully, main-aining a sound credit policy and pay-ng the companies promptly. Converse-y, an agent who carries his share of he load is entitled to be treated like n independent business man and not ith a "take it or leave it" attitude. n underwriting decisions, an agent hould be trusted until his report is roven wrong. Contracts should be subject to free negotiation and agents should be given advance notice of form, rule and rate changes.

J. C. Corcoran, Chicago, executive underwriter of the Kemper group, described the casualty rate making process, particularly the role of rating bureaus. Although the new bureau automobile plans are not in force in any New England states and only in Connecticut have there been any re-cent independent filings, there were a number of questions about their oper-ation and justification.

J. C. O'Connor, secretary the Nation-al Underwriter Co., discussed the place of the agent in the mass market. He pointed out that not many years ago agents were told that they had no future in business lines, because of competition of large direct writers, and should concentrate on personal lines, while today they are being told exactly the reverse, and predicted that agents will make the necessary ad-justments to live with and prosper under present conditions.

Speaks On Communications

Prof. C. C. Parkhurst of Boston University closed the session with a well received talk on communications. He stressed the importance of clear, friendly letter writing, avoiding cli-ches, old and new, and telling one's story in simple language.

W. N. Woodland, secretary Mutual Fire Insurance Assn. of New England, was toastmaster at the dinner. Plaques were presented to each of the New England past presidents, all but two of whom were present. R. G. Huizinga, Stamford, vice-president, and W. H. Wiley, Hartford, executive secretary Connecticut Assn. of Insur-ance Agents, took a bow at this time. William Stringfellow, assistant gen-eral manager National Assn. of Mu-tual Insurance Agents, presented NAMIA's "Alert Youth" award to Leonard Holbrook of Nashua, for his courage in helping apprehend a rob-ber who had assaulted a storekeeper.

Friday morning Mr. Stringfellow discussed the Washington picture and there were two educational forums before the closing luncheon.

Pittsburgh Club Picks Garver As President

Paul K. Garver, America Fore has been elected president of Insurance Club of Pittsburgh. He succeeds John D. Stevenson of the same company.

Homer P. Kinast, Hoover & Diggs, was named vice-president; John R. Morrow, John G. Beck agency, secre-tary, and William C. Irvin, Freehold Real Estate, treasurer.

Another Merit Plan In Mich.

A new merit rating plan by Michi-gan Mutual Liability has just been approved by Commissioner Blackford of Michigan, according to H. John Lowry, president, who points out that the plan is a departure from those already approved in that it does not penalize drivers who have traffic violations in their records. Much ex-pensive record keeping is eliminated and more drivers become eligible for safe driving credits, Mr. Lowry de-clares. Other features include earning of an additional credit for each future accident-free year, permitting the driver to "build substantial discounts over the years;" and the opportunity for young accident-free drivers to earn the rates charged adult drivers.

General Lines Selling Different From Life, IAC Told; Agency System Upheld

(CONTINUED FROM PAGE 7)

something those in this market bought by choice, but by compulsion. They came to believe that all insurance was substantially the same, that their needs were simple, and that price was a valid factor on which to decide the source of their purchase. This feeling was nurtured by those companies which eliminated the agent.

Buying Habits Shaped

At the same time, a subtle but drastic change was taking place in the economic and social structure of the country. Those who began as buyers of minimum automobile insurance became homeowners; they engaged in business and prospered. Their introduction to insurance having been through the non-agency companies, they were a ready market for broader automobile protection and for other forms of coverage through such companies.

Agents and companies have underestimated the situation that has developed, Mr. Gragg declared. But, in his view, they have passed the crossroad and are now enroute to a dramatic resurgence. They cannot dismiss the competition as having run its course, nor damn it for its threat. They should be thankful for competition, for without it there would not be as broad horizons as seem inevitable for tomorrow.

Companies now are possessed of greater flexibility, greater speed of action and greater accuracy of decision than ever before. Most companies have instituted thoughtful and detailed reappraisal of internal operations, and studies aimed at joining economy of motion to maximum productivity. These are continuing, for estimates of the situation must be kept current.

Mistakes To Avoid

The day of the non-professional agent is fast going, if not substantially gone. Agents today are better educated, better equipped, more imaginative, more stable, and better organized than ever before, and they are eager to sell. The agency system, too, has been case-hardened in the fire fanned by competition, Mr. Gragg noted.

Through vague apprehensions, some agents may stray toward borderline companies, and thus into captivity. Some companies may drift toward what is thought to be the primrose path of the direct approach to the buyer in the market place. Through misunderstanding and erroneous conclusions, distrust may arise between some agents and some of their companies. Sincere efforts on the part of all can eliminate most of these hazards.

Mr. Gragg has no real fear of competition which seeks to gain advantage by hyper-legalistic claim adjusting or by merchandising that borders on the unacceptable. Companies of that sort can be a source of embarassment to the entire business—to agents, agency companies, and non-agency companies. But they cannot long endure.

He said that there will always be a price market, but he does not believe that the public in any great number will be satisfied with insurance that lacks the competent, professional touch of the agent. Faith in the present system and the courage to express that faith will guarantee its future. Managers will play a key role in the years of expansion ahead, he concluded.

Cal. Agents Name Six Men To Board

California Assn. of Insurance Agents has appointed six new men to serve on its board. They are A. Berkheimer, Redlands; A. N. Bushnell Jr., North Hollywood; Bruce N. Moore, San Diego; M. A. Nelson, Culver City; John E. O'Grady Jr., Pasadena, and Lloyd G. Whitman, Fresno.

Holdover members of the board are Walter W. Carter, San Anselmo; P. Fowler, Paso Robles; Lyle Huggins, Long Beach; William W. Kelly, Santa Cruz; C. H. Reifenrath, Redwood City, and C. D. Swett, Woodland.

Wis. Surety Assn. Elects A. J. Goddard President

Surety Assn. of Wisconsin at its annual dinner meeting, held in Milwaukee, named A. J. Goddard of Aetna Casualty as president. Ralph Medford, American group, was elected vice-president, and Paul W. Wolfgram was renamed for his seventh term as secretary-treasurer. All are of Milwaukee.

Martin Is Promoted

William R. Martin has been promoted to state agent for central and southern Illinois by National of Hartford companies. Mr. Martin succeeds Carl G. Schaefer who has been promoted to assistant manager at the Chicago office. Mr. Martin will have his headquarters at Springfield.

National Bureau Makes Broad Liability Rate And Coverage Changes

National Bureau has increased comprehensive personal liability and farmer's comprehensive liability rates an average of 2.7% countrywide. The change is not effective in Connecticut, Hawaii, Illinois, Louisiana, Massachusetts, Minnesota, Mississippi, Nebraska, New Jersey, New York, Pennsylvania, Puerto Rico, Texas and Wisconsin.

Elevator bodily injury liability rates have been raised 14.8% in Alaska, California, District of Columbia, Florida, Illinois, Massachusetts, Oregon, Pennsylvania and Washington. Physicians and surgeons professional liability rates have been hiked 1.4% countrywide. The change is effective Dec. 30 in Texas, Jan. 1 in Hawaii, and Dec. 2 in all other states except Kansas, Kentucky, Louisiana, New Jersey, New York and Washington.

Raise Dentist Rates

Dentists professional liability rates have been raised 3.1% countrywide in all states except Alaska, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Kansas, Kentucky, Louisiana, Maine, Mississippi, Montana, Nevada, New Jersey, New York, North Carolina, South Dakota, Vermont, Washington and West Virginia. Effective date in Texas is Dec. 30, in Hawaii Jan. 1, and in all other states Dec. 2. The identical effective dates apply to nurses professional liability rates which have been reduced 30% in all jurisdictions except New York, Kansas, Michigan and Puerto Rico.

Manufacturers and contractors BI rates have been hiked 12.8% in Florida. OL&T BI rates on area and frontage classifications have been raised 20.2% in Florida, and 30% in Tennessee, effective Dec. 2, and 3.9% in Texas, effective Jan. 1.

Effective dates of all the rate changes above, where not specified, is Dec. 2.

Coverage Changes

Revisions have been made in coverage under comprehensive personal liability and farmers comprehensive personal liability policies, effective Dec. 2, except in Texas where the date is Feb. 1. Changes do not apply in Hawaii, Louisiana, Minnesota, Mississippi, New Jersey, New York, Pennsylvania, Puerto Rico and Wisconsin.

The liability amendments affect swimming pools, boats with high-powered outboard motors, and midget autos. An additional charge applies to swimming and wading pools more than 30 inches deep. The basic limit rate for a pool at insured's home will be $15. Formerly, no additional premium was charged.

Optional Charge Added

A new optional charge for coverage of owned outboard motors of more than 10 horsepower has been added. The basic limit rate for outboard motors will range from $10 to $40, depending on the horsepower. Coverage is still included at the basic rate for persons who rent outboard motors or boats equipped with such motors, regardless of horsepower, because exposure of such insured is minor. Automatic coverage will be provided for 30 days for insured who, during the policy period, acquire motors of more than 10 horsepower, if all such motors owned when the policy became effective were insured. As before, there will be no extra charge for coverage of inboard motors of less than 50 horsepower.

Midget autos are specifically excluded while away from premises. The bureau noted that such vehicles in a number of states may not be subject to motor vehicle registration, but present a definite hazard. The definition of midget autos does not include golfmobiles which continue to be included under basic coverage, except in states where they are subject to motor vehicle registration.

Providence Washington Has Underwriting Gain, Dividend Is Increased

In the first 10 months of 1959, Providence Washington had an underwriting profit of $332,723. Investment income was $918,018, and net operating profit was $1,250,741. The combined earned loss and written expense ratio was 98.7 compared with 103.1 for the same 1958 period.

The company increased its last 1959 quarterly dividend from 15 cents to 20 cents a share, payable Dec. 24 to stockholders of record Dec. 3.

St. Paul F.&M. Names Two To Minn., Okla. Fields

St. Paul F.&M. has appointed Robert P. Mairs state agent at Minneapolis to replace Robert A. Sheppard Jr., who has been shifted to the home office as sales superintendent of the multiple coverage department. Mr. Mairs has been state agent for Florida.

Edward J. Hodge is new special agent at Oklahoma City for the southwestern part of the state.

N. H. Offers Individual BI-PDL Policy

(CONTINUED FROM PAGE 1)

the accident which has already been caused by insured.

Although the new policy is radical and is limited in some respects, it offers many advantages to offset its restrictions. To insured it offers a rate reduction of about 30% of the premium the first year and 40.5% the subsequent years for one driver, or about 15% the first year and 27.75% the subsequent years for two driver families with one car. The policy is slightly broader than the drive-other-car coverage of standard policies with respect to the type of motor vehicles which insured may drive.

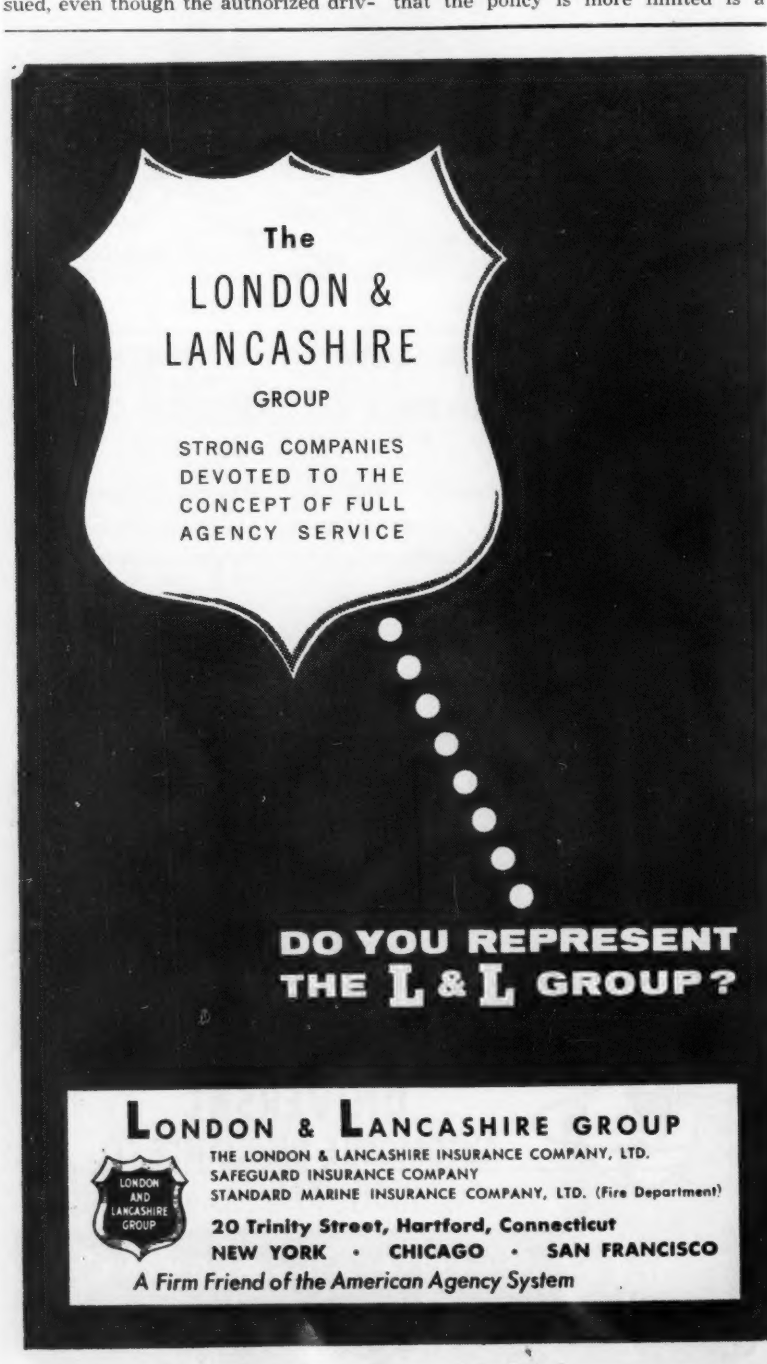
Intramural Suits Banned

However, insured, under the new policy, must sacrifice his protection when lending his car to other persons not insured, or he must refuse to lend the car. He must also run his own risk—which New Hampshire does not consider relatively serious—of being held responsible for his car's use by unauthorized persons and of being sued, even though the authorized driver has insurance. Insured is further prevented from conspiring to have himself sued by members of his own family or by himself, which never was contemplated by either the company or the policyholder at the time the coverage afforded under other policies was purchased.

The agent will be relieved from much of the paper work now required, which is increasing with recent developments. He will receive the same commission which his agency contract allows for automobile BI and PDL. He will, on the other hand, either have to protect himself by collecting some advance premium or run the risk of guaranteeing payment to his client because he will not be allowed any flat cancellation privileges on individual operator policies. Such policies will be canceled only with a pro rata premium charge, subject to a minimum charge of $10.

New Hampshire does not expect its agents immediately to convert all eligible insured to this form. The fact that the policy is more limited is a sufficient reason for not making a general offer to all of the eligble clients of an agency. The company believes, however, that this will serve as a valuable tool to protect desirable business which is in the agents' books and will permit its agents to recapture some of their preferred accounts which have been out of reach or lost to competitors in the past because of lower rates.

The company believes that this plan, properly presented and administered by agents and the company, will prove to be a healthy influence in the automobile insurance business.



Ritter Interests Transform Their Mutual Into Stock Insurer With Grange Tie-In

Southern Grange Ins. Co., a stock company, has been organized as the successor to Select Risk Mutual of Fayetteville, Ark. The new company was formed by the W. M. Ritter interests of Arkansas. W. M. Ritter, who was president of Select Risk Mutual, is president of Southern Grange, and J. W. Ritter is secretary. The new stock company is affiliated with the Arkansas Grange and will write personal lines for Grange members. There also is a contract between Preferred Risk Life, another Ritter company, and the Arkansas Grange. Stock in Southern Grange is being offered to stockholders of Preferred Risk of Fayetteville, the parent company; Preferred Risk Life, and officers of Arkansas Grange at $4 a share in a private sale.

Reliance Names Two In Mo.

Howard Prater, Kansas state agent of Reliance, has been given the additional duties of state agent for western Missouri.

He will be assisted by Robert Piehl who is joining the company. Mr. Prater succeeds Marvin C. Vaughan who has entered the agency business.

Fund Makes Shifts At Albuquerque, Atlanta And San Francisco

Fireman's Fund has appointed O. D. Oliphant fire manager at San Francisco and W. Dana Roehrig auto-casualty manager at Atlanta.

Mr. Oliphant's predecessor, Phillip F. Kingsley, has been transferred to Albuquerque as manager, a position formerly held by Mr. Roehrig. James F. Barron, auto-casualty superintendent at San Francisco, becomes manager of office operations there, succeeding Mr. Oliphant, and Roland C. Williams has been assigned to Mr. Barron's former position. W. Hanson Oxford and Robert J. Ross have been appointed assistant auto-casualty managers at Atlanta.

San Francisco Manager

With the Fund since 1946, Mr. Oliphant has been manager at San Francisco since last year. Mr. Roehrig, who replaces the late John L. Earl, joined the company in 1950 and has been manager at Albuquerque since 19

Mr. Barron joined the Fund in 19 and has been superintendent of the auto-casualty department at San Francisco for 11 years. Mr. Oxford went with the company in 1927 at Atlanta and has been senior automobile underwriter. In the business since 1923, Mr. Ross joined the company in 1941 and in 1956 became casualty superintendent at Atlanta. Mr. Williams has been auto-casualty superintendent at San Francisco.

Northwestern Mutual Names Jolly To L. A.

Northwestern Mutual has named Mac Jolly claim manager at the Los Angeles office. He replaces Paul Torgerson, deceased. Mr. Jolly joined the company in 1947, became claim manager at Salt Lake City in 1956, and most recently has been assistant claim manager at Seattle.

Uniform Rates, Cover For AR In Maryland

(CONTINUED FROM PAGE 1)

lass. On assigned risks there is no privilege of underwriting selection. Each insurer must accept risks assigned to it if the applications are in good faith. Risks are equally distributed. Consequently, he concluded, rates charged should be identical for all insurers.

Uniform rates also will contribute materially to the successful operation of an assigned risk plan because the producer can advise the applicant in advance what the cost will be, which should facilitate prompt payment of premium. Mr. Sears thinks also that uniform rates will have a better effect on persons assigned.

State Farm Mutual Automobile, represented by Charles Robison and Charles L. Van Antwerp objected to rate uniformity and asked for a youthful driver supplement to the plan. Under such a plan in Wisconsin insurers can write one less assigned risk for each driver under 25 voluntarily written. Mr. Sears rejected both the objection and the suggestion.

Others at the hearing included Ellen W. Day of Lumbermens Mutual Casualty, New York, representing the governing committee of Maryland automobile AR plan; Edward Rosenberg of Maryland Indemnity & Fire Exchange; Jerome Smith of National Mutual of D. C.; John H. Coppage, deputy, and Lewis W. O'Brien, senior rate analyst of the department, and Mrs. Shirley B. Jones, assistant attorney general.

Joins Scottish-American

Ray C. Snodgrass has been appointed Kansas-Missouri state agent of Scottish-American. He succeeds Joseph A. Worley who has entered local agency business. Mr. Snodgrass was formerly state agent of Crum & Forster.

Reviews Case Based On Copyright Of Policies

(CONTINUED FROM PAGE 5)

In the fields of insurance and commerce the use of specific language in forms and documents may be so essential to accomplish a desired result and so integrated with the use of a legal or commercial conception that the proper standard of infringement is one which will protect as far as possible the copyrighted language and yet allow free use of the thought beneath the language."

Beardsley sought to appeal to the U. S. Supreme Court upon the ground that this ruling on the issue of infringement, as well as the ruling of forfeiture, was in conflict with the general liberal rules to protect copyrights. The Supreme Court denied the application for a review.

The case was returned to the lower court for the entry of a judgment, and Continental Casualty sought to have the injunction applied to any claim of copyright in Beardsley's "plans and systems of insurance." The district court limited the injunction solely to the blanket lost securities bond described in Beardsley's pamphlet copyrighted in 1939, which it had been found had been published without restriction, thereby causing a forfeiture of a copyright. Any language which might possibly be misconstrued to apply to Beardsley's waiver of probate bond and mail loss bond form was scrupulously stricken out by the court, thereby leaving no possibility for any valid claim inconsistent with the finding of the circuit court of appeals that these two sets of forms were validly copyrighted and that Beardsley owned the copyrights.

In summary, the law of copyright as it pertains to insurance forms is clear. "Nothing in the law prevents the copyrighting of forms and insurance instruments" such as had been perfected by Beardsley. However, the law as to infringement is not quite so clear, the courts being advised to "protect as far as possible the copyrighted language and yet allow free use of the thought beneath the language."

America Fore Promotes Seven At Dallas Office

(CONTINUED FROM PAGE 4)

of inland marine and general cover. In 1954 he went to Dallas as inland marine, general cover and brokerage manager, becoming agency superintendent in 1956. He was appointed an assistant secretary of America Fore in 1958.

Mr. Allen joined America Fore in 1941. In 1948 he was promoted to special agent in Mississippi and was named Mississippi special agent in 1949 and state agent in 1953. Mr. Allen was named agency superintendent at Dallas in 1956 and assistant secretary of America Fore in 1958.

Mr. Heard joined America Fore at Atlanta in 1926 as adjuster for F.&C. He left America Fore in 1928 and returned in 1934 as F.&C. claims manager at Dallas. In 1945 he was named district manager of F.&C. at Houston. In 1949 he was appointed regional claims supervisor at Atlanta. He was transferred to Dallas as southwestern regional claims manager of F.&C. in 1954.

Mr. Welsh joined the automobile department of F.&C. in 1937. In 1949 he was transferred to compensation and general liability underwriting and in 1955 was appointed agency superintendent.

Editorial Comment

Mitigation For Meetingitis Malaise

At last a lifeline has been thrown out that should be eagerly grabbed by the many insurance people who find themselves so swamped with meetings and conferences of dubious value that they find it almost impossible to get their work done right.

The lifeline is a report by Executive Communications Inc., a firm that specializes in studying meetings, their effectiveness and their reasons for being. The report not only questions the value of meetings generally but also says that most business meetings—the sales conference, the periodic pep talk, the progress report session, the departmental problem clinic—should, to put it bluntly, have died aborning.

Why? Well, for one thing, they cost too much for what they accomplish, ECI maintains. The top 100 industrial corporations in the U.S., ECI estimates, spend $250 million a year putting them on. The average executive, even when kept on a short rein by a budget-conscious treasurer can run up a tab of anywhere from $50 to $75 a day when attending company conventions.

But what is more important from a sound business standpoint is the study's discovery that of some 300,000 such meetings held over a recent 18-month period, only one-tenth actually achieved the goal set for them.

The high percentage of duds is accounted for by these factors:

—Many of the objectives of the meetings were such that they could never be accomplished by the meeting process.

—The importance of adequate preparation was underestimated. "Bull sessions" were rampant, and most of these trailed off into discussions that begat only inconclusive generalities.

—Too many meetings were held at set intervals—say, weekly or monthly—instead of when the participants had something worthwhile to talk about.

—In most companies there was no rule of thumb an executive could use to determine whether or not a meeting was justified.

Considering its ponderous inefficiency, how is it possible that the meeting ever became so popular as a tool of administration, something that ECI says it was never meant to be? It would appear that the safety provided by the conference table has had something to do with it. A group decision tends to negate individual responsibility, thus providing a handy refuge for a man at or near the top who was standing behind the door when initiative and imagination were handed out.

This wouldn't be too bad a state of affairs if the system, however unwieldy and inefficient, still worked. But as the ECI report points out, "Decision making and creativity are functions of the individual. To use a group mechanism to accomplish these ends stifles creativity and often results in a delay in decision-making or in 'decisions' that aren't really decisions at all, but compromises."

Which is probably a polite way of saying that the type of meeting we are discussing often is inconclusive and hence self-perpetuating. Phoenix-like, it springs anew from its own ashes in a never-ending succession that re-creates itself but produces little else.

ECI calls it "a form of deliberative paralysis," while at the same time doubting that the business conference will ever fall into complete disfavor. When it works—in that one occasion out of 10—it's a handy form of business communication, its primary raison d'etre.

The trick is to get it to work, and here ECI offers a few cures for the meetingitis malaise.

The report advises radical surgery on the whole meeting process, and as a step in the right direction, better preparation. The report tells of one organization that demanded its executives come to meetings armed with something intelligent to say, and as a result was able to reduce the number of get-togethers by 25%, a notable accomplishment in itself.

"Better preparation," the company reported, "tended to make the meetings necessary and participants came to meetings with their 'homework' done. One really sound and effective meeting can obviate the need for additional meetings."

The same also holds true for the regularly scheduled meeting, more often than not a pretty dull, routine affair. Although the meetings themselves are held at set intervals—every week or month, for example—new problems, crises or any other subject worthy of group discussion seldom arise with such predetermined regularity. The tendency in scheduled meetings, therefore, is for them to deteriorate into uninteresting carbon copies of each other.

Some of this, however, can be taken care of if the executive in charge is constantly aware of his responsibility to the coming meeting and his contribution to it, a fact that can be attested to by those people in the insurance business who have had some success with this type of meeting.

Here, the key to success, as ECI sees it, is to recognize the fact that agendas need to be imaginatively arranged and even drastically revised from time to time to avoid monotony.

Now, this is all well and good. It's the kind of advice insurance people would do well to harken to. But it does, if we examine it closely, present yet another problem. Whence is to come the decision to call fewer meetings and to demand more adequate preparation from those participating in them?

Well . . . we might call a meeting, see . . . and . . .—William Macfarlane, assistant editor The National Underwriter Life edition.

Personals

Alan J. Carey, vice-president, and **Robert W. Bird**, assistant vice-president of George F. Brown & Sons, have returned from a two-week visit with the agency's London correspondents. En route they called on clients in Montreal.

Brig. Gen. **Louis D. Burkhalter**, local agent at Cedar Rapids, will succeed Maj. Gen. **George Olmstead**, board chairman Hawkeye Security group, Des Moines, as commanding officer of the 103rd infantry division, army reserve unit, Dec. 7. The division consists of some 8,000 men in Iowa, Minnesota and Nebraska.

William C. Harris, who will succeed **John R. Robinson** as chairman, president and U.S. manager of Phoenix of London, Jan. 1 joined the company 30 years ago at its London head office. He went to New York in 1954 and was named executive vice-president in 1958. Mr. Robinson, who is retiring at his own request, joined the company at London in 1924. He went to New York in 1950 and was promoted to chairman, president and U.S. manager in 1957.

Joseph F. Prola, agent at Springfield, Ill., and a past president of Illinois Assn. of Insurance Agents, has been elected chairman of the Springfield United Fund campaign for 1960. He was vice-chairman this year.

John T. Dickerson, vice-president and general counsel of Union Auto Indemnity, has been elected president of the Bloomington, Ill., Association of Commerce for the 1960 term.

Commissioner **F. Britton McConnell** of California is in a Los Angeles hospital for tests for a recurring ailment.

Cyril C. Sheehan, executive vice-president of Guaranty Security and former Minnesota commissioner, has been promoted to brigadier general of the marine corps reserve. He was a member of the first marine battalion which was formed in Minnesota in 1939.

Deaths

EDWIN F. ZUMWINKEL, 71, president of the St. Louis agency bearing his name, died of a heart attack in his Mehlville, Mo., home. He entered the business in 1940.

VICTOR G. RUTTER, 63, engineer of Wisconsin Fire Insurance Rating Bureau, died at Milwaukee after a long illness. He was with the bureau 30 years.

REGINALD J. MARTIN, 67, retired state agent at Louisville of Phoenix of Hartford, died there.

CHARLES H. SCHWELLENBACH, 74, agent at Seattle, died there of a heart attack. He was a brother of the late U.S. Senator Lewis B. Schwellenbach.

HARRY F. FARNSWORTH, 72, agent at Riverton, Wyo., from 1910 until he went into semi-retirement in 1953 for health reasons, died. He was a former secretary and president of Wyoming Assn. of Insurance Agents.

ELMER W. BAUM, comptroller of Factory Insurance Assn., died of a heart attack at his Hartford home. He joined FIA in 1939 and became office manager and chief accountant at Chicago. In 1950 he was transferred to Hartford as assistant comptroller and in 1956 he was elected comptroller.

CHARLES G. MASSEY, 47, chief underwriter of Inland Mutual Ins. Co. of Huntington, W. Va., died in the hospital there after surgery.

THOMAS J. EMORY, 44, casualty underwriting manager of Harford Mutual of Bel Air, Md., died after a long illness.

CLAUDE W. SHERWIN, 63, retired Missouri state agent of Agricultural, died in the Kansas University medical center, Kansas City, Kan., after a long illness. He had been with the company 45 years.

FRANCIS S. PERRYMAN, 63, assistant U.S. manager, vice-president and actuary of Royal-Globe, died suddenly while visiting his daughter at Lancaster, O. He joined Royal-Globe in 1914 at London. He came to the U.S. in 1924 as assistant casualty actuary. He was named an executive

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f all companies of the group in 1949. e was past president of Casualty ctuarial Society and was a fellow of stitute of Actuaries of England.

JAMES F. ATWELL, 50, resident anager of Fidelity & Casualty at hite Plains, N. Y., died suddenly ere.

He began in insurance in 1924 with ew York Indemnity and later was ith Maryland Casualty and Union Inemnity before joining F.&C. as an nderwriter in 1933. He was special gent and district agent before becomg resident manager at White Plains n 1953.

ARTHUR DEVINE, 70, former editr of Northwest Insurance, died at St. Paul, presumably of a heart attack while in a swimming pool. He was with Prudential for 48 years and was district manager at St. Paul for 27 years. He retired in 1953 and went with Northwest Insurance. Mr. Devine was a past president of St. Paul Life Underwriters Assn. and St. Paul General Agents & Managers Assn. A son, J. Peter, is manager at St. Paul of Occidental Life of California.

Beneficial Buys Vermont Acc.

Beneficial Fire & Casualty, Beneficial Standard Life affiliate, has purchased Vermont Accident of Rutland, which has been writing A&S, mostly group, in Vermont, New Hampshire, Maine, Pennsylvania and Indiana.

Stocks

y H. W. Cornelius of Bacon, Whipple & Co.
6 S. La Salle St., Chicago, December 1, 1959

	Bid $	Asked $
Aetna Casualty	185	190
Aetna Fire	67	68½
Aetna Life	88	89
American Equitable	40	41
American (N. J.)	26	27
American Motorists	15	16½
American Surety	19	20
Boston	32	33½
Continental Casualty	68½	70
Crum & Forster	67½	69
Federal	58½	60
Fireman's Fund	48	49½
General Re	80	83
Glens Falls	32½	33½
Great American Fire	40½	42
Hartford Fire	189	192
Hanover Fire	41½	43
Home of N. Y.	53	54
Ins. Co. of No. America	125	128
Jersey Ins.	33	35
Maryland Casualty	35½	36½
Mass. Bonding	33½	35
National Fire	133	137
National Union	37	38
New Amsterdam Cas.	46½	48
New Hampshire	46	48
North River	35½	36½
Ohio Casualty	29½	31
Phoenix, Conn.	79½	81
Prov. Wash.	20¾	22
Reins. Corp. of N. Y.	19½	21
Reliance	47	48½
St. Paul F. & M.	53	55
Springfield F. & M.	28½	30
Standard Accident	57	58½
Travelers	90	92
U. S. F. & G.	34	35½
U. S. Fire	28½	29½

Ark. Agents Voice Pandemonium Fear Of New, New HO

(CONTINUED FROM PAGE 1)

homeowners policies are not available, and it seems to your committee that the time has passed when filings should be made on judgment factors alone," the statement said. The old homeowners policies A, B, and C were introduced in Arkansas in June, 1958, less than 18 months ago, it was pointed out by several committee members.

The association, in the same declaration, also took issue with a proposal of Arkansas Inspection & Rating Bureau to require the auditing of all binders through its division of audits. "While there is a strong movement, countrywide, for the reporting of all binders through audit bureaus, our reaction to such a procedure in Arkansas is one of complete dismay," the association's formal statement continued, "since it is our feeling that our bureau has a heavy enough load already without compounding the confusion. If there are abuses in the field of issuance of binders in Arkansas, the situation can be remedied promptly and effectively by more conscientious policing by general agents and company representatives without placing the responsibility upon the agents."

Deems Clarification Unnecessary

Pointing out that Akansas' new insurance code in section 286 deals specifically with the subject of binders, the association statement saw no reason for any further clarification. "Our survey has determined that where such rules are in effect in other territories (as proposed by the Arkansas bureau), they are not being observed. There is no way, through such rules, to exercise control over agents, brokers or branch offices having interstate authority."

Concluding its statement, the association said: "It is apparent that there is a strong trend toward countrywide filings, regardless of how they may fit a situation in a given territory. Certainly, our association welcomes any constructive move in the industry which is best for the interest of the insurance buying public, and thereby best for the industry. But the confusion which exists in the minds of agents as a result of the arbitrary use of countrywide methods cannot help but be transmitted to the public, and utter confusion result. It is our hope that our bureau, to the extent that the authority of its executive committee permits, will proceed with caution and diligence." Five of the eight members of the conference committee are past presidents of the Arkansas association.

During its morning business session, the association heard Lawrence Derby,

Warren, state national director, sketch recent activities of the national association. A report by Orin Becker, Jonesboro, advertising committee chairman, indicated the AAIA had now reached 66% of its 1960 goal in the "Big I" advertising campign. Tie-in kits will be delivered to participating agencies in January or February, he said, and he urged agents to display the large "Big I" decals in their agency windows.

Robert Patrick, Jonesboro, reporting for the committee on agency qualification, outlined work now underway in developing a set of "Guiding principles" or standards of agents' qualifications within the framework of the present qualification law under which the entire industry might cooperate to lessen the numbers of part-time and unqualified persons in agency ranks. The casualty committee, headed by Cecil Cleavenger, Fort Smith, chairman, reported on recent auto liability filings and commented: "Our committee feels that the safe driver plan is a step in the right direction and that such a plan would be a motivating sales force for Arkansas agents." However, he said all concerned had been notified of the association's disinterest in any plan "in which reduced premiums are based solely on reduced commissions."

Vice-President P. G. Brown, presiding at the morning session, made the report for the education committee which, he said, was working on plans for an annual insurance school of three-days duration similar to the one presently in operation in Oklahoma. He described the operation of the Oklahoma educational plan with its gradation of courses aimed at beginners as well as advanced insurance students. A big show of hands greeted him when he asked the audience how many persons would be interested in participating in such an educational program.

Offers Congratulations

Charles Lilly, Jonesboro, chairman, speaking for the fire prevention committee, congratulated the Arkansas State Fire Prevention Assn. for its continued fine record on town inspections. He urged greater activity on part of local agents in fire prevention programs, especially in Arkansas' school fire marshal inspection system. Jake Jacobsen, Harrison, chairman of the public relations committee, reported that the speakers' bureau—created last year—in cooperation with company men had more than exceeded its goal of 100 speeches in its first year. The traffic safety committee, after experimenting with a pilot program in Hot Springs during the past year, has now prepared a primer for setting up driver education programs, Floyd Bryant, Hot Springs, committee chairman, reported. Dan W. Cotton, the association's past president and its treasurer, gave the midyear finance committee report.

In a short address, President Robert Davidson, Jonesboro, praised the work of the association's standing committees. He reported that an agency cost survey is now underway in Arkansas by the NAIA which should develop interesting data. The great increase in attendance at the association's regional meetings last August, he said, was due to the educational nature of these meetings and a greater interest being shown by Arkansas agents in educational activities.

Workshop In Afternoon

The afternoon session of the one-day gathering was an educational workshop on survey selling, burglary insurance and small casualty lines. Dean E. Matthews, local agent at Ashland, Kan., by means of an illustrated lecture, described some of his methods of getting insurance to value on farm buildings, up-grading dwellings in small towns to bring many of them within eligibility of CDP and HO coverages, and establishing new buying patterns for crop hail insurance. "Today rapid change is the norm," he said. "In all of this change we must look for a continuity of the way of our business, the agency way, by getting out and earning the commissions our customers are paying us." He described in detail his techniques in making property appraisals and then explained the need for additional coverage to clients. "We don't tell an insured how much to carry," he said. "We show the insured his potential capital loss, and he makes his own decision. In practically all cases, our recommendations are accepted." The audience was intrigued when he explained how solicitation letters from his agency were mailed from far-off Honolulu.

Lecture-Discussion Session

Jim McCown, Little Rock, bond superintendent U.S.F.&G. in a lecture-discussion session, analyzed mercantile robberty & safe burglary, mercantile open stock, broad form money & securities, and storekeepers burglary and robberty contracts. "They are being bought and not being sold," he commented. "Your prospects are on your books already. At least see that they are offered these coverages," he urged.

A discussion of general casualty lines by John Lynch, special agent, St. Paul group, Little Rock, brought the afternoon session to a close. Mr. Lynch briefly traced the development of casualty lines and then analyzed the basic parts of liability contracts. He devoted the last half of his lecture to sales suggestions, pointing out that agents have to "create the need" to sell general casualty lines. These lines are a wonderful way to balance out an account with a company to offset auto liability lines, he said.

—

Mutual Insurance Rating Bureau has increased BI rates for OL&T area and frontage classifications in Tennessee, 30%.

Peace Prevails At Midyear Meeting Of NAIC In Florida

(CONTINUED FROM PAGE 1)

the Michigan Surety situation, cause a lot of comment and speculation, b it was conducted in such secrecy—wit Hugh Tollack, NAIC executive se retary, barring the door to all comers— that the uninvited for some time didn' even know what was being discussed It is reported that it was nothin more than a review ofdevelopment by Blackford of Michigan to bring th commissioners not in the know int the know.

The subcommittee on organizatio ownership and certification of insu ance companies heard a few words o the problem of holding companie whose raison d'etre is to organize a insurer. Should those holding comp nies come under department regul tion, or is that possible? Rinehart Alabama, the chairman, wondered. Kentucky, it was reported, the de partment can regulate such comp nies when they are set up to run mutual.

Sweetness And Harmony

Sweetness and harmony prevaile at the meeting of the subcommitte on the credit life and credit A& model bill. Only a couple of mont ago this subcommittee had a meetin at French Lick Springs, Ind., and th knives were bloodied. The wound have healed, but the scars remai and not all of the issues are resolve

This subcommittee is considerin amendments to the model bill whi has been enacted in about 20 state Gerber of Illinois, who persided chairman, explained that there general agreement on the amendme as they have been printed. When asked for comment or suggestio pertaining to the amendments, he g only a single response—E. A. Dunb of Beneficial Finance offered so wording to clarify the basis of r computation.

Determining Key Matter

Mr. Gerber went on to say the pr posal has been made that the co missioners have a bench mark whi will enable them to make a determin tion of the key matter of when cre premiums are reasonable in relati to benefits. This is the battlegroun but Mr. Gerber said the question h to be resolved to clarify ratemakin The commissioners face the quanda of attempting to stay out of rate reg lation in the A&S field while at th same time maintaining some rate co trol over the credit line. At Frenc Lick, Mr. Gerber said, there was compromise. The idea was to set u a loss ration standard. The questi is how to write language which w express the intention clearly and sati factorily.

Paul Boyer, representing Hous hold Finance, suggested using a 50 loss ratio based on actual mortali or morbidity. Household Finance, h said, is perturbed over the existen of two patterns of approval of premi

es—that originated in New York ling for a decremented scale from cents to 44 cents, and that origi- ted by Wisconsin calling for 75 ts. New York is too low and Wis- sin too high, he commented. Fifty ts more nearly reflects the proper yment. Household Finance has nd that 30 cents per $100 is the rtality on small loans, so a 50-cent mium would be proper.

Mr. Boyer's amendment states:

"The premium rates shall be deemed be excessive if they are more than ice the average mortality or morbid- y sustained on the same or similar licies by all companies writing credit urance in the state. If the insurer n demonstrate that risks written rough a particular creditor or risks plicable to a particular group or ss of debtors sustain, or may rea- nably be expected to sustain, a mor- lity or morbidity substantially high- r than the average of all companies iting credit insurance in the state, he commissioners may approve spe- al premium rates applicable to such articular group or class, provided, owever that such special premium tes shall not be greater than twice he mortality or morbidity of such particular group or class."

inning Wants Time

John Binning, former Nebraska di- ector and now practicing law in Lin- oln, representing a number of smaller credit insurers, asked for time to study Mr. Boyer's suggestion.

The honey started to flow when B. M. Anderson of Connecticut General Life commended the subcommittee for it's accomplishments. Mr. Anderson said nearly all the differences in the field of credit insurance except in the area of premium rates have been re- solved. He added he believed most people would agree with Mr. Boyer's idea of 50% loss ratio.

Donald MacNaughton for Prudential, admitted that his company has been a self-appointed spokesman for a num- ber of the credit insurers, doing so as a pioneer and large writer, said Pru- dential still believes the New York formula is the proper one, but he had no objections to the proposal of House- hold Finance.

The report of the subcommittee "set over" the amendments and the ques- tion of a bench mark for further study.

Meets Without Quorum

The subcommittee on schedule rat- ing plans and rate modification plans, meeting without a quorum, had a long discussion, with Frank Hart of Ken- tucky and C. F. J. Harrington, vice- president National Assn. of Casualty & Surety Agents, doing the bulk of the talking.

Mr. Hart said schedule rating should be investigated more fully. There are problems which come close to the an- ti-rebating laws when an agent cuts his commission in order to obtain or hold a line. He wondered about the relationship between commission cutting and rebating.

Mr. Harrington held forth at length, urging tighter controls over the application of rating formulas and advocating hearings before they are adopted. In his remarks, Mr. Harrington touched all bases and the subcommittee report took note of this, saying that the points brought up had "far reaching ramifications."

The report suggested that the committee be continued to investigate the subject further.

A big crowd turned out for the meeting of the subcommittee to review fire and casualty ratings laws and regulations, but the session was confined to a status report by its chairman, Gerber of Illinois.

The commissioners are seeking definite suggestions from industry on what, if anything, needs to be done with the rating laws, Mr. Gerber said, and the memoranda are wanted by Feb. 15. By that time the subcommittee will be holding another hearing like the one conducted in Chicago two weeks ago in the south or the west. By means of regional hearings the subcommittee hopes to get a local approach.

At the meeting of the group fire and casualty insurance subcommittee, Grubbs of Nebraska, the chairman, asked for comments on the possible productiveness of a study of the advisability of limited groupings in the fire and casualty field. Cooper Cubbedge of Jacksonville, representing National Assn. of Insurance Agents, said the agents are "firmly opposed" to amendment of the rating laws for the purpose of limited groupings. Mr. Grubbs asked why NAIA would oppose an investigation. Mr. Cubbedge said there should be no twilight zone.

Tacit Approval Offered

Tacit approval to the idea of study was offered, upon solicitation, by William H. Rodda, secretary Transportation Insurance Rating Bureau; C. F. J. Harrington of National Assn. of Casualty & Surety Agents, and Frank Hart of the Kentucky department.

The old M-1 subcommittee, now L-1, titled statistical, rating and filing of multiple line contracts, is still in business, its chairman, Thacher of New York, explained, to keep up to date on court decisions in this field. There are several cases pending, which Mr. Thacher reviewed briefly, all involving North America—in New York, Washington, Kentucky and Mississippi. No decisions have been handed down for the subcommittee to evaluate.

Passe Club Meets

The Passe Cub, the organization of former commissioners, held a historic meeting at Miami Beach. New officers were elected for the time since the club was revitalized 12 years ago.

Meetings of the Passe Club are conducted at the midyear gatherings of NAIC. They are great events. The rules forbid seriousness, and the members have a commond bond that seems to inspire. If NAIC is in the process of shifting gears, as it is on this occasion, the Passe Club meeting is for many the highlight of the entire convention.

M. J. Harrison of Little Rock presided as president and introduced the dignitaries at the head table. Howard Brace, Occidental Life (retired), the secretary, reported the club now has 193 card-carrying members. Growth has been spectacular beyond the most optimistic expectations, he said. Seventeen new members have found themselves enrolled since the last meeting. Seven of the new members were on hand to take their bows.

Given Standing Ovation

Mr. Brace concluded by saying this was his last report, and as he took his seat he was given a spontaneous standing ovation.

Robert Taylor, Mill Owners Mutual, Des Moines, (Oregon), who three years ago was president of NAIC and on the receiving end, presented a gavel to NAIC's current president, Paul Hammel of Nevada. Mr. Hammel pulled a surprise by presenting to Mr. Harrison a beautiful painting of the free spirit achieved by commissioners when they leave office.

Mr. Harrison told the group that an election had been held the day before, in the finest democratic manner. He explained that in 1957 he and Mr. Brace appointed a nominating committee and the committee let the officers give their farewell addresses and accept parting gifts before reporting a reelection. This time the new officers were definitely known.

John Lloyd, president Union Central Life, who wowed the Passe Club with an address before the 1958 meeting in New Orleans, is the new president of the club. He recalled in his acceptance speech some of the early days of the original club when it was run by Col. Joe Button of Virginia and Vic Berry of Michigan.

J. R. Maloney, San Francisco attorney, becomes the new executive secretary. Mr. Harrison was made president emeritus for life and Mr. Brace received the title executive secretary emeritus for life.

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Carolina Casualty of Florida has been licensed in Hawaii.

Photo Highlights of Indiana Agents' Meeting

Participants in the skit "Wilbur Gets A Proposition" that was presented by the field men at the Indiana agents meeting: From the left, Richard N. Jennings, New Hampshire group; Robert R. Burridge, Crum & Forster, and Edward D. Higgins, Crum & Forster.

Charles H. Boston, left, and Frank A. Hargrave, both of La Porte.

Three past presidents of the Indiana association are, left to right: C. D. Kessler, Peru; Robert B. Estlick, Columbia City; and Linn S. Kidd, Brazil.

From left: H. J. Gescheidler Jr., Hammond; Glenn J. May, Spencer; and John R. Feighner, Marion. Mr. Gescheidler is state national director, Mr. May is a past president, and Mr. Feighner is immediate past president and now board chairman of the Indiana association.

John L. Kiley, (left) Kokomo, a director of the Indiana association, and Daniel Gibson, Plymouth, a past president.

From left: Richard J. McElroy, Monon; Duane E. Lupke, Fort Wayne; and Robert G. Martin, Scottsburg. Messrs. McElroy and Lupke are directors of the association.

N. Y. Moves Against International Guaranty

International Guaranty & Ins. Co. again is making headlines. Attorney General Lefkowitz of New York has obtained a state supreme court order authorizing him to examine the books of the insurer and eight savings and loan associations whose shares formerly were guaranteed by International, and 46 individuals, who have been ordered to appear Jan. 13. The attorney general based his action on the allegation that approximately $20 million of $100 million in deposits of the savings and loan associations are held by New Yorkers, though none of them is located in New York.

The savings and loan associations named are located in Boise and Burley, Ida., Provo, Utah, Seattle, Baltimore, and Chicago.

The Lefkowitz petition states that the insurance company's operations were "masterfully planned by one Stewart B. Hopps from a palatial home in Belvedere, Cal." It charged fraudulent misrepresentation of assets by the insurer, and suggested that Eric Van Galder, supposedly the administrative officer of International, "is a complete fiction." It charged that an advertised $1 million trust fund was actually worth $150,000, if that, and had claims pending against it.

By mutual agreement between the state and the major claimants, International Guaranty & Insurance of Tangier achieved releases from its obligations in California resulting from the seizure of the company last year by the department. In the order approved by the court, there will be cash available approximating $30,000 outstanding. Other claims have been settled, according to Harold Haas, deputy attorney general.

The company provided approximately $115,000 to meet insurance claims and insurance department costs, this amount including a "cushion" of $20,000 in a separate account. Henry McGurren, San Francisco counsel, said he doubted the company would operate further in the U. S. because of allegations and charges connected with it.

The $20,000 separate account is in lieu of a $40,000 bond demanded by Commissioner McConnell.

Threatens $25 Million Suit

International Guaranty replied to the attorney general's charges by indicating that it would sue Mr. Lefkowitz for $25 million. Mr. McGurren was reported to have announced there that he was instituting the suit. He is one of the witnesses called by court order to testify in New York in January.

Mr. McGurren also indicated that the insurer had deposited $177,000 in cash in California to meet all possible claims there. In San Francisco last week Superior Judge Devine approved a settlement which is designed to wind up International Guaranty's affairs there.

Mr. Hopps has issued a press statement concerning his connection with International Guaranty of Tangier. He states that his business consists primarily of advising insurers that are in difficulty and in trying to refinance or rehabilitate them. Some of his clients are too far gone and must fail, but the average of those saved or improved has been high.

International has not failed, Mr. Hopps states. On the day adverse publicity was released, Superior Judge Devine of California acknowledged that all claims against the company in the U.S. had been paid in full or reserved in cash deposited with his court. He thereupon returned to the home office of International more than $1 million in assets.

Mr. Hopps states that he is not now and never has been a stockholder, officer, director or trustee. The company asked him to give advice on its U.S. affairs, and in 1957 he agreed to accept employment for a $25,000 annual retainer. He says his most important advice was that a trust fund be established for the additional protection of American policyholders.

Among those who signed a trust agreement and agreed to serve were: J. W. Ehrlich, San Francisco attorney; Frank J. McAdams Jr., Chicago attorney and master in chancery of the U. S. Circuit Court of Illinois; J. Howard McGrath, Washington attorney and former U. S. attorney general; Henry North, Vice-president of Metropolitan Life, and Paul Van Wagner Jr., president of Jorig Drilling Co., Texas.

Mr. Hopps resigned as advisor in May, 1958, and his resignation was officially accepted by International's stockholders and directors June 18, 1958.

He said he cannot understand the statement attributed to New York Attorney General Lefkowitz in view of the fact that, after six months of advertising for claims, the California insurance department and superior court of California acknowledged International to be solvent.

Florian, Fosselman Raised By American

American has transferred Richard E. Florian, casualty manager at Des Moines, to the same position at San Francisco. Charles A. Fosselman, casualty underwriting supervisor at Des Moines, succeeds him as casualty manager there.

Mr. Florian joined the group in 194[illegible] as a payroll examiner in the head office. In 1950 he was transferred to the liability underwriting department. He was promoted to underwriting supervisor at Chicago in 1955, and was transferred to Des Moines as casualty manager in 1957.

Mr. Fosselman began as an underwriting trainee at the head office in 1952. He was transferred to Des Moines in 1953 and was named casualty underwriting supervisor there in 1956.

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Hawk Is Chairman Of Excelsior Plans Unit

Excelsior has named Frank H. Hawk, Peoria agent, chairman of its planning committee to succeed Ralph G. Hastings ,Washington, Ind., who becomes an ex officio member. Arthur B. Fair, Natick, Mass., was also named to the committee, and Guy T. Warfield, Jr. Baltimore, continues as a member.

Mr. Hawk, a director of Excelsior, is a former president, chairman, and state national director of Illinois Assn. of Insurance Agents.

Hammel Asks Fewer NAIC Committees

(CONTINUED FROM PAGE 1)

and said it is "because we have too many committees, because we have inactive committees and subcommittees. Because we often make ourselves appear what we are not, and often do not properly explain what we do."

Some committees don't even meet, or just meet and adjourn, he commented. Reports of no activity, no meetings, no agendas are put in the proceedings.

"What conclusion might be drawn from this?" he inquired. "Might it not be that some outsider, possibly the industry we are supposed to regulate, controls the agenda?"

Subcommittees appointed for a specific tasks are often not discharged, and are added to inactive list. NAIC looks even more inactive itself, Mr. Hammel observed. "Often we continue subcommittees only to oversee the results of their own work, but they fail to explain in each of their reports that this is the sole reason for their existence, and thus look inactive too."

Vacillation cannot be justified, he said, but delay often can be. If a problem is complex and requires more time, or more time is needed to complete an important report, the reason for the delay should be on the record "so that our friends and our enemies, and the public . . . will know that it is a justifiable delay and not vacillation."

Concerned With Public Image

Mr. Hammel said he is concerned with the public image of NAIC. Few people read the proceedings, but the commissioners as public officials "have enemies and we must appear to all who would scrutinize us as the sincere, dedicated, hardworking association that we really are."

He suggested the commissioners consider the possibility of consolidating or eliminating inactive standing committees, and consolidating or discharging subcommittees whose main tasks are finished. There is no reason why, he declared, a parent committee cannot oversee such items as the number of states that adopt a model bill. "Each report of every remaining committee and sub-committee should restate its reason for its existence, its accomplishments since its last report, or a proper reason for the lack of accomplishments."

Possibility Of Change

Specifically, Mr. Hammel recommended that the laws and legislation committee consider the possibility of a change in state laws to make mandatory the examination of advisory, statistical and joint underwriting or joint reinsurance organizations not less than once each five years; that the accident and health committee check the advisability of investigating bidding on airport concessions; that the executive committee consider enlargening the functions of the executive secretary's office, and that the committee on all installment sales and loans study the need of laws providing minimum provisions in all policies used in consumer transactions.

Interstate F.&C. Has Record Operating Profit

Consolidated operations for the year through Sept. 30th for Interstate F.&C. and its wholly owned subsidiary, Chicago Ins. Co., developed a net operating profit of $121,573 after provision for income taxes. This compares with the highest previous earnings for the same period $38,765 in 1958. Adding the increase in the equity in the unearned premium reserve, adjusted earnings for the period would be $1.27 per share on the 140,000 shares then outstanding after full provision for income tax in the equity or, $1.50 per share before deducting this potential tax liability.

In early November an underwriting syndicate headed by White, Weld & Co. successfully completed the sale of 85,000 additional common shares at $16.75 per share, which increased the company's total capital and surplus to more than $2,600,000. Interstate and Chicago, both managed by Geo. F. Brown & Sons of Chicago, now have total assets in excess of $8,500,000.